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GOVERNMENT ESTIMATES CGT STOPPAGE ABSENTEEISM

PY261728 Buenos Aires NOTICIAS ARGENTINIAS in Spanish 1127 GMT 26 Mar 86

[Excerpts] Buenos Aires, 26 Mar (NA) -- The government has officially estimated that the CGT (General Confederation of Labor) stoppage reached an average 60.87-percent absenteeism throughout the country and compared it to the day of protest held on 24 January which, according to government estimates, was observed by 85.93 percent of the workers. Government House last night supplied information, broken down by districts and in some cases by cities, showing that absenteeism substantially diminished throughout the country in comparison with the previous strike, except for Cordoba where absenteeism reached 83.33 percent in the January stoppage and 83.72 percent in yesterday's stoppage. According to official estimates, the absenteeism in Buenos Aires reached 54 percent, compared with 82 percent in January, and in Buenos Aires Province it reached 75 percent and 83.33 percent respectively.

SELECTED DEFENSE COMPANIES TO BE NATIONALIZED

PY212003 Buenos Aires BUENOS AIRES HERALD in English 21 Mar 86 p 3

[Text] (DYNA-NA) -- Some defence companies that do not have "strategic" value are on the government's list for privatization, said Growth Promotion Secretary Norberto Bertaina yesterday. Speaking at a meeting of the Professional Economic Sciences Council, Bertaina said that "not all defence businesses can be privatized, since some of them have a strategic character." He also said that "in order to reach a country in which growth is not an exception, we must clearly understand that the cause of Argentina's ills are a consequence of society and not just the State."

SEN GASS DISCUSSES NICARAGUA-HONDURAS CLASH

PY261455 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1235 GMT 26 Mar 86

[Text] Buenos Aires, 26 Mar (NA) -- National Senator Adolfo Gass has stated that "the evolution of the Nicaraguan situation is an obvious cause for concern," proposing actions by the Contadora Group and the Contadora support Group "to confront the serious situation" arising from the deployment of Honduran troops at the Nicaraguan border and the establishment of an air bridge between the United States and Honduras.

Gass, the head of the UCR [Radical Civic Union] International Relations Commission and president of the Senate Foreign Relations Commission, told NOTICIAS ARGENTINAS that last night he participated in a social get-together among diplomats during which Nicaraguan officials denied an alleged Managuan aggression against Honduras. Gass stated that it is obvious that there are U.S. troops in Honduras and that their actions go beyond their mere technical presence as instructors, and that "press reports emphasize that U.S. helicopters are actually transporting Honduran troops to the borders."

Gass stated that "the Contadora Group must act on the Nicaraguan-Honduran border, as it did on the Nicaraguan-Costa Rican border, although the latter action was much easier." Regarding the possibilities that the UCR will issue a statement on this matter, Gass said that he "would talk with the UCR president today" and also with Foreign Minister Dante Caputo.

NUCLEAR POLICY DISCUSSED WITH BRAZILIAN GROUP

PY261720 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2200 GMT 25 Mar 86

[Text] Buenos Aires, 25 Mar (NA) -- The Foreign Ministry has officially reported that the first bilateral Argentine-Brazilian meeting on nuclear policy took place here yesterday and today. This meeting was scheduled in the joint declaration signed by Presidents Alfonsin and Sarney in Iguazu last November.

The delegations were headed by Ambassador Jorge Sabato, secretary of foreign relations and culture, representing Argentina; and by Ambassador Sebastian Rego Barros, representing Brazil. The technical aspects of the meeting were coordinated by Alberto Constantini, chairman of the National Atomic Energy Commission; and by Rex Nazare Alves, chairman of the Brazilian Nuclear Energy Commission. The next meeting will take place in Brasilia in the first week of August, according to the Foreign Ministry.

CAPUTO ADVISES CAUTION ON EEC AGREEMENTS

PY232204 Buenos Aires BUENOS AIRES HERALD in English 23 Mar 86 p 13

[Text] (NA-DYN) -- Foreign Minister Dante Caputo said yesterday agreements reached with the European Economic Community (EEC) "are to be taken prudently and not exaggeratedly" since "no definite progress was made concerning protectionism and subsidies" applied by the EEC countries in their commercial operations. On the other hand, upon arriving from Europe, Caputo pointed out that "a series of important advances" were made during meetings with EEC authorities in Brussels "which indicate possibilities."

The minister announced Argentina and the EEC reached agricultural and fishing agreements during his visit to EEC headquarters with Industry and Foreign Trade Secretary Roberto Lavagna. "Nevertheless these agreements should not blind us into forgetting other possible future developments in our relations with them," he said.

Caputo also announced they discussed Argentine participation in the Eureka technological development plan which French President Francois Mitterrand announced last year. The part Argentina plays in the Eureka plan "will give the country more possibilities to become autonomous not only in matters related to technology but to manufacture in general," he said.

The Eureka plan said Lavagna, "tends towards drawing up worldwide general production lines for the next 10 years. He said Argentina obtained "a firm commitment from France to associate Argentine companies in areas related to automation, communications, informatics and bio-technology." French and Argentine companies interested in the Eureka plan will meet over the next four months before drawing up bilateral government agreements between both countries.

According to Lavagna, the Argentine government will extend the same credit and tax system to national industry which participates in the plan as the French government applies to private and state industries involved in the Eureka plan.

Foreign Ministry Secretary Luis Maime, who also travelled on the mission, said within the 60 days "a substantial increase in fish exports can be expected" due to the agreements reached in Europe. "There may be tariff benefits not only for Argentine European joint-ventures but also for national concerns," Jaime added.

BARTHELEMY NOTES EXISTENCE OF GUERRILLA GROUPS

PY211142 La Paz EL DIARIO in Spanish 12 Mar 86 p 1

[Text] Interior Minister Fernando Barthelemy has confirmed that subversive groups are operating in several areas of our country, taking advantage of the current crisis and jeopardizing our national security.

In statements to EL DIARIO reporters, the minister said that weapons are known to have been introduced into Bolivia from Brazil and other neighboring countries, although he did not disclose the origin of the weapons. Barthelemy charged that ultraleftist foreign terrorists have begun to organize groups of Bolivian supporters with the objective of attacking Bolivia.

He stressed that there is evidence that weapons are being stored and that they are being used by civilians. This leads to the conclusion that Bolivia is a center of subversion. "In general terms, we can say that there are political groups -- several of them working in coordination with labor leaders -- which are trying to destabilize the government by instigating subversion, taking advantage of the state of social commotion caused by the current crisis," the minister stressed.

Barthelemy explained that this situation was not caused by the new economic policy. He said the crisis began several years ago under inefficient administrations, "which failed to adopt just measures aimed at solving the problems that are now affecting the country."

The minister said that ultraleftist subversive groups are organizing their "cadres" in Bolivia, building up a conspiracy to attack the state. Although he did not reveal names or quantities, "in order not to hinder investigations," he said that it is probable that they are people trained in Cuba and Nicaragua and sponsored by the former government. He added that the invaders are not interested in the number of people infiltrated but in the quality of infiltration in the social and labor organizations to incite the adoption and execution of measures of force. "I do not want to say whether this is an urban or rural guerrilla activity. It is evident, however, that there is an accumulation of weapons that are being used by civilians with the clear intention of stimulating subversion," he said.

The minister said it is possible that the subversives may be linked with the "America" Battalion, because their procedures indicate that they may belong to it or to a similar one. Some leaders have said publicly that they seek to "liquidate" the government, which is a matter of concern since they will try to take advantage of popular protests. In reference to the demonstration organized by the Bolivian Labor Confederation to be held in the next few hours, Barthelemy said that this is an indication that "social agitation" is in progress and it will be prevented by the Interior Ministry.

Regarding subversion, the interior minister pointed out that all the organizations of the "intelligence community," that is the Armed Forces, Police, and Interior Ministry, have been alerted. He added that those security organizations are "on the trail" of the conspirators and that "when the time comes," they will be arrested and put at the disposal of the regular courts or military justice.

Asked if aid from neighboring countries will be requested for this purpose, Barthelemy said: "We will not ask for help. We have the necessary resources to fight, and we will do it. We will repeat what we did with the Nancahuazu guerrilla group." [Guerrilla band led by Che Guevara, captured by authorities in 1967]

Barthelemy added that although Bolivia under certain circumstances resorts to foreign cooperation, it maintains its status as a sovereign nation; therefore it will be capable of dealing with this new national threat.

WEAPONS, AMMUNITION, GRENADES SEIZED IN ORURO

PY270148 La Paz La Red Panamericana in Spanish 0000 GMT 27 Mar 86

[Excerpt] A few minutes ago we received in the press room of Radio Panamericana a report from our correspondent in Oruro. He said that this morning a house was raided in Oruro, and grenades, ammunition, and old weapons were seized and some people arrested. The Information Ministry has announced that the Interior Ministry is going to hold a press conference at 1100 on 27 March to give more details on this matter.

COMMANDER SAYS LACK OF FUNDS GROUNDS AIR FORCE

PY212330 La Paz La Red Panamericana in Spanish 1130 GMT 21 Mar 86

[Excerpts] Bolivian Air Force Commander General Jorge Rodriguez Bravo warned the country that the situation of the Bolivian Air Force is critical, because since 13 March all the activities of the Bolivian Air Force have been paralyzed due to lack of funds to pay for the insurance of its planes. Gen Jorge Rodriguez Bravo will better explain the situation.

[Begin recording] I confirm the situation. We have not carried out any operations since 13 March, due to difficulties in the negotiations between the executive branch and the (?Stabilization) Council on one hand, and the insurance company which demanded payments for the period June 1985-June 1986. However, we could not obtain the necessary funds and have reached a critical stage in which the insurance company informed us that the insurance coverage would be suspended as of 13 March. Despite the previous talks held, the (?Stabilization) Council took stubborn line, and the government could not pay the insurance company. As a consequence, as you have said, we have suspended all flights throughout the country. [end recording]

Air Force Commander Jorge Rodriguez also said that the populations of Beni and Pando Departments are totally neglected because the Military Air Transport (TAM) has also suspended its operations. He added that this is creating numerous problems for the inhabitants of those distant regions.

Moreover, Gen Jorge Rodriguez recognized that the country might be in danger because all the air units are grounded.

[Begin recording] [Unidentified reporter] Would there be any risk now that the airplanes are not flying?

[Rodriguez] Well, we have to admit that there is a certain amount of risk which I do not dare [words indistinct] because at the moment we are experiencing a peaceful period in the continent. At least, as far as our neighbors are concerned, there has been no problem, and I hope this will continue. Otherwise we would have to find a way to operate one way or the other. [end recording]

Later, Panamericana asked the Air Force commander what he thought might be the solution to the current problem of the Bolivian Air Force.

[Begin recording] The solution would be to sit down and seriously talk to the insurance company and find a way of obtaining the insurance company's (?consent), as well as the government's, to accommodate the interest payments and be able to put the Air Force planes into operation again. [end recording]

In conclusion, he added that $6.5 million is needed to pay for the annual insurance of all the planes belonging to the Bolivian Air Force.

PROVISIONAL COVER FOR AIR ROUTES TO INTERIOR

PY251853 La Paz Radio Illimani Network in Spanish 1700 GMT 25 Mar 86

[Excerpt] Aeronautics Minister General Antonio Tovar Pierola has reported that the Lloyd Bolivian Airline [LAB] will provisionally cover the La Paz-Cobija-La Paz route until the insurance problem affecting the Bolivian Air Force [FAB] has been overcome.

This alternative was reviewed by the aeronautics minister during a meeting held with the members of the Congressional Transportation Commission to discuss the isolation affecting several towns in Eastern Bolivia owing to the suspension of the FAB services.

PRESIDENT PAZ EXPLAINS TAX REFORM LEGISLATION

PY211803 Madrid EFE in Spanish 0900 GMT 21 Mar 86

[Text] La Paz, 20 Mar (EFE) -- Bolivian President Victor Paz Estenssoro has asked his countrymen to support the tax reform bill which has been submitted to Congress for approval, stressing that the smooth running of the state apparatus depends on it. This appeal was made during a press conference held at Government Palace to explain the scope of the tax reform being implemented.

"The tax reform bill is coherent and indispensable to the current critical condition of the country, and the smooth functioning of the state depends on it," Paz said.

This draft bill creates a tax called Value Added Tax [IVA], which will be fixed at 10 percent of the sale, purchase, and rent of real estate, on services, imports, personal incomes, rural and urban properties, as well as net assets of enterprises.

On 18 March the government gave Congress the 1986 national budget, which shows a deficit of $176 million and assigns $266 million for payment of the foreign debt.

The tax reform bill and the IVA are measures demanded by the IMF as prerequisites for granting Bolivia a $57-million stand-by loan and have therefore been rejected by the labor and political sectors.

The bill is a government attempt to consolidate its economic policy approved on 29 August 1985. The government has not been able to put its projects into effect for lack of funds, and its policy, after being in effect for 7 months, has caused economic recession in the country.

Finance Minister Juan Cariaga stated that the new tax law will prevent tax evasion and will obtain funds for the state to carry out investment programs and pay better salaries.

Planning Minister Gonzalo Sanchez de Lozada said that this plan will only be successful if it obtains popular support. The proposed reform has given rise to angry protests by the labor and peasants unions, particularly among the peasants who are not included in the social welfare system and who threaten to counterattack if Congress approves the project. Edwin Rodriguez, head of the government bloc in Congress, has recognized that the new tax law is elitist and warned about the possibility of movements among the people against this measure.

Meanwhile, Juan Lechin Oquendo, executive secretary of the powerful Bolivian Labor Confederation (COB), has said that this tax increase is like a time bomb which will hurt most the Bolivian peasants, workers and members of the middle class.

President Paz Estenssoro based the need for a tax reform on increased administrative corruption, tax evasion, and the fiscal deficit which he said is permanently covered by foreign loans.

Nevertheless, even members of the government's political ally, the Nationalist Democratic Action (ADN), stated that this tax reform is one of the most serious impositions of the IMF that Bolivia has had to tolerate in order to obtain a stand-by loan.

PAZ ZAMORA CRITICIZES GOVERNMENT ECONOMIC POLICY

PY242324 La Paz La Red Panamericana in Spanish 1700 GMT 24 Mar 86

[Excerpts] Jaime Paz Zamora, leader of the National Revolutionary Movement [MNR], this morning granted a press conference to provide details on a trip he made through Europe and other countries. During the conference, Paz Zamora harshly criticized the current government and its current economic policy. He said that no further sacrifice can be asked from the Bolivian people.

Paz Zamora then added that despite all these problems, the government plan has been consolidated with a political stability thanks to the pact between the MNR and the Nationalist Democratic Action [ADN].

Paz Zamora stated, however, that the ADN is cogoverning, because it manages 47 percent of the nation's general budget, including some city councils and other offices where it has representation.

[Begin recording] We were also invited to participate in a pact in August. We responded by saying clearly that since the ADN-MNR pact already exists and is a homogeneous pact, it is itself sufficient to govern this country. Besides this our position of support of the Bolivian people and promoting democracy did not allow us to participate in a pact with the government, but rather, called on us to be a good opposition. [end recording]

Paz Zamora justified the MNR's vote for the government on 6 August, 1985. He also justified the presence of one of its members in the government as president of the Chamber of Deputies.

MINISTER DISCUSSES ANTIDRUG CAMPAIGN, CORRUPTION

PY252021 La Paz La Red Panamericana in Spanish 1700 GMT 25 Mar 86

[Excerpt] The Interior Ministry has reported that there are obstacles blocking a head-on battle against drug trafficking. In fact, in a press conference granted this morning, Interior Minister Fernando Barthelemy stated that there are judicial branch officials who, instead of cooperating with the antidrug trafficking campaign, are creating problems for the moral standards of the country.

[Begin recording] We would like to inform all the Bolivian people about aspects that are hampering the work against drug trafficking initiated by the government. As you all know, the drug trafficking problem, in addition to having tarnished the country's image abroad, is also causing very serious problems for the Bolivian society. This can be seen by the increase in the number of coca plantations in the country, and the fact of the corruption of public officials, who should be respecting the law. Finally, we can also see the fact that moral standards are changing in the country. [end recording]

The minister added that the increase in the production of coca leaves is damaging the moral and physical standards of Bolivian citizens.

DEPUTY SAYS U.S. ANTIDRUG ASSISTANCE 'MISERABLE'

PY212205 Paris AFP in Spanish 1320 GMT 21 Mar 86

[Text] La Paz, 21 Mar (AFP) -- German Gutierrez, the president of the Bolivian Chamber of Deputies governmental commission, today stated here that the U.S. Government has not fulfilled agreements on the antinarcotics struggle and on the reduction of coca plantations in Bolivia. Gutierrez said that a bilateral agreement signed in August 1983 stated that the United States would provide: $8.5-million, 57 vehicles, 4 motorboats, and three helicopters in the struggle to eradicate drug trafficking and reduce coca plantations by 4,000 hectares. Gutierrez said that to date only 20 jeeps have been received, that owing to the lack of maintenance these jeeps are not being used, and that only $2 million have been received.

In conclusion, Gutierrez stated that U.S. assistance is miserable and insufficient. It is really pitiful when compared to U.S. contributions of $2 billion to Colombia, $1 billion to Peru, $2 billion to Thailand, and $1 billion to Pakistan for identical goals. In turn, the Antinarcotics Directorate has reported that in the past 2 weeks 38 kg of cocaine were [word indistinct] and 24 people were arrested in the coca and cocaine-producing area of Chapare in central Bolivia.

STRIKING TEACHERS FACE SANCTIONS, DISMISSAL

PY251719 La Paz La Red Panamericana in Spanish 1130 GMT 25 Mar 86

[Excerpts] Professor Ruby Oropeza, urban education undersecretary, has reported that the teacher conflict is still not solved despite the desire of most teachers to return to work. The Education Ministry is collecting reports from the interior in order to determine if classes have started there. Public schools in La Paz did not start either.

[Begin recording] The La Paz report is more encouraging. The teachers want to work and went to school this morning together with school administration personnel. The teachers' union members, however, have organized protest pickets urging teachers to leave the schools and threatening them with a union veto which would deprive them of their union rights and ruin their career if they start giving lessons or even remain in the schools. [end recording]

The urban education undersecretary has told us that those teachers who do not show up for work within the limit established by the law will risk losing their jobs.

[Begin recording] We, the Urban and Suburban Education Under Secretariats, do not wish to adopt any punishment measure against the teachers. We understand that their claims are large. They must not exaggerate, however. There are clear regulations that state that if teachers abandon work for 5 days, they can be dismissed from their jobs. We do not wish to be that extreme but the 5-day term starts today because the school year officially starts today. [end recording]

Finally the education undersecretary made an appeal to all teachers to return to their activities in the name of the defense of the education of Bolivian children and students.

COCHABAMBA UNIVERSITY STUDENTS CLASH WITH POLICE

PY262144 La Paz La Red Panamericana in Spanish 1700 GMT 26 Mar 86

[Relay from Cochabamba by unidentified reporter]

[Text] This is Panamericana from Cochabamba. A little before midday serious confrontations took place between the students of San Simon University and the forces of order. The students took to the streets demanding more attention by the government to the university's budget. After marching down several streets of the city, the students blocked the access bridges to the city.

In the face of this action, the forces of order started to clear the bridges and then the confrontation with the students started. According to initial reports by the students, one of them was wounded by a gunshot. The police reported that an officer and a soldier were wounded. These reports are expected to be confirmed in the next few hours.

Meanwhile, local authorities have ordered the deployment of military police to ensure normal traffic flow to and from the bridges that connect downtown with the outlying neighborhoods. Police are currently guarding the access to the main square. So far, however, no private or public motor vehicles are operating in the area.

The university students said that they will maintain an intransigent attitude until their demands for the university are heard. The authorities, in turn, said they will ensure respect for public order. So far two opposing opinions have been expressed. We expect to have more news and a report of the wounded in the next few hours.

HAITI'S FORMER POLICE CHIEF HELD IN CUSTODY

PY261440 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 26 Mar 86

[Text] Itamaraty has asked the Justice Ministry to hold Colonel Albert Pierre, the former Haitian police chief, in preventive custody. Thus, Pierre will have to remain under arrest for 90 days on Fernando de Noronha Island, awaiting a decision on the extradition petition made by the government of Port-au-Prince. The Foreign Ministry has reported that Brazil will agree to the extradition only if the new Haitian Government commits itself not to sentence Col Albert Pierre to a prison term exceeding 30 years.

ITAMARATY CANCELS LIBYAN DELEGATION'S VISIT

PY261247 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 26 Mar 86

[Text] A visit by a Libyan Government delegation which was scheduled to arrive in Sao Jose dos Campos on 17 March was cancelled 10 days before that date on a recommendation made by Itamaraty, which was closely following the developments between the United States and Colonel al-Qadhdhafi's government. The visit's purpose was to strengthen the ties with leading Brazilian arms manufacturers. The Libyans were interested in purchasing $1-billion worth of Brazilian arms, including spare parts for Cascavel and Urutu tanks.

BRIEFS

WORKERS' ORGANIZATION FORMED -- The creation of the General Central Organization of Workers [Central General de Trabalhadores -- CGT] was the main issue of the second National Congress of the Working Class which ended last Sunday 23 in Praia Grande and was attended to by 5,000 labor union representatives. Joaquim dos Santos Andrade, of the Sao Paulo Metalworkers Union, was acclaimed CGT president for a 3-year term. [Excerpt] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Mar 86 p 45 PY]

BALANCE OF PAYMENT SURPLUS -- The Brazilian balance of payments for 1985 showed a surplus of $14 million. [Summary] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 5 Mar 86 p 29 PY]

COFFEE PACT WITH COLOMBIA -- Last night, during a meeting in Rio de Janeiro, Paulo Craciano, president of the Brazilian Coffee Institute, and Jorge Cardenas, president of the Colombian Coffee Producers Federation, signed an agreement to control monthly coffee export sales and thus prevent coffee prices from dropping on the international market. This year Colombia will export 12 million 60-kg bags at an average of $2.50 per pound, while Brazil is expected to export around 14 to 14.5 million bags at an average price of $2.40 per pound. [Summary] [Paris AFP in Spanish 1624 GMT 7 Mar 86 PY]

MALARIA OUTBREAK -- According to the Health Ministry, a total of 11 cases of malaria have been detected in Foz do Iguazu, Parana State, after a period of 8 years with no cases. [Summary] [Rio de Janeiro O GLOBO in Portuguese 8 Mar 86 p5 PY]

SOCIAL DEMOCRACY LEADER ON RELATIONS WITH U.S.

PY206251 Santiago Radio Chilena in Spanish 1630 GMT 26 Mar 86

[Text] U.S. Ambassador Harry Barnes has repeatedly met with Foreign Minister Jaime del Valle. There are rumors about the exchange of letters at the highest levels, and that there have been strictly secret home visits. What is going on at the Foreign Ministry is still a mystery, but the rumors are numerous. Social Democracy leader Rene Abeliuk is considered a well-informed man, with good contacts at the embassies. What is his opinion about the meetings held between Ambassador Barnes and Foreign Minister del Valle? Abeliuk says he has no first-hand information, but there are some interesting points.

[Begin Abeliuk recording] Of course the government has been negotiating in an attempt to recover the system of support that the United States used to provide because this is the truth: The United Nations has voted against (?Chile). It is also attempting to go back to the silent diplomacy which was so comfortable for the dictatorship -- to be scolded privately while in public there was silence.... This new attitude is obviously an attempt by the government to go back to that original state, thus offsetting this tremendous and internally catastrophic diplomatic defeat. [end recording]

Abeliuk believes that the U.S. policy toward Chile is within the framework of its foreign policy at the world level. He also insisted that the Chilean crisis depends on international developments, but that the final solution will depend on what the Chileans themselves can do.

GOVERNMENT TO KEEP REAGAN LETTER CONFIDENTIAL

PY262210 Paris AFP in Spanish 2140 GMT 26 Mar 86

[Text] Santiago, 26 Mar (AFP) -- The Chilean Foreign Ministry today reported that the Chilean Government will keep confidential the text of a letter sent by U.S. President Ronald Reagan to President Augusto Pinochet. The letter, delivered on 20 March by U.S. Ambassador to Chile Harry Barnes, has not yet been answered.

Press reports indicated that Reagan discussed two issues in the letter: the case of Nicaragua and Washington's position on the violation of human rights reported under the military regime headed by Pinochet. A UN report this month reiterated that there has been no substantial improvement in respect for individual guarantees in Chile and the U.S. Government publicly criticized the Chilean regime, thus breaking the policy of silent pressure on the Chilean military government.

PINOCHET, DEL VALLE RECEIVE NEW PRC AMBASSADOR

PY261626 Santiago Domestic Service in Spanish 1100 GMT 26 Mar 86

[Text] The Chilean Government is making efforts to improve the country's political, economic, and social standards, President Augusto Pinochet said when receiving credentials from the new PRC Ambassador (Huang Ji Kang).

The PRC diplomat spoke first, conveying to President Pinochet greetings from PRC President Li Xiannian and Prime Minister Zhao Ziyang. He stressed that the two countries are currently engaged in developing their economies and improving the standard of living of their people. Thus, he said, we need an international atmosphere of lasting peace, and we advocate negotiations as a means to finding solutions to conflicts. We also support detente and world peace. The PRC ambassador also said that the two countries can complement each other by mutually supplying raw materials, technology, and expertise.

President Pinochet welcomed the new ambassador and said that the two countries have frequently shared the same views on international affairs, such as the concern over preserving peace and security in the world. Pinochet also said that trade has been increasing gradually, and that there is interest in other areas of their relationship. The Chilean chief executive concluded by saying that the Chilean Government is currently doing its best to improve the country's political, economic, and social standards in keeping with the provisions of the Constitution. The ceremony was attended by Foreign Minister Jaime del Valle and the protocol director of the Chilean Foreign Ministry.

PINOCHET SAYS 'WORST DAYS BEHIND US'

PY260211 Santiago Domestic Service in Spanish 1630 GMT 25 Mar 86

[Excerpt] The president of the Republic stressed a few minutes ago that the government will continue to fight poverty, to meet the country's needs, and to build a better future for Chile. The chief of state made these remarks at the Colina fair grounds on the occasion of Farmer's Day. The president also said that the worst is behind us:

[Begin Pinochet recording] The worst days are behind us, but we must be aware of the need to fight to defend what we have achieved, to maintain the existing progress. We must also remember that this effort should be shared by all.

Today, once again we must fight the demagoguery of those who make promises that they know they cannot keep. These are the same people who in the past did not hesitate to sow hatred and (?poverty among the naive). We must vigorously reject again the acts of those who deceive the workers, of those who want to plunge the country into disorder and anarchy, of those who are irresponsibly destroying public and private property and are promoting violence. We should show them our outright rejection and give them a firm lesson. Rest assured that the government will not desert you. We Chileans know how to win and have had victories, and this encourages us to overcome all obstacles. [end recording]

PANAMANIAN GENERAL'S SON FOUND DEAD

PA260104 Madrid EFE in Spanish 2348 GMT 25 Mar 86

[Text] Medellin, Colombia, 25 Mar (EFE) -- Authorities of the Colombian Administrative Department of Security, DAS, identified today two bullet-ridden bodies found 12 days ago as those of Ruben Dario Paredes, son of former Panamanian Armed Forces Commander Ruben Dario Paredes, and a pilot friend of Dario Paredes' son. The two Panamanians, Ruben Dario Paredes Jimenez and Cesar Absalon Rodriguez Contreras, arrived on 11 March in Medellin from Panama; 2 days later they were reported missing by the Colombian authorities.

Official sources established that the pilot, Rodriguez Contreras, was the owner of a luxury yacht seized last Friday by anti-narcotics police in the Caribbean island of San Andres. On it were more than 300 kg of cocaine.

COMMUNIQUE REPORTS RAMON BALLAESTEROS' ESCAPE

PA260833 Bogota EL SIGLO in Spanish 20 Mar 86 p 8

The Directorate General of Prisons hereby reports that it was established yesterday morning, 19 March, at 1030 that Juan Ramon Matta Ballaesteros, a prisoner whose extradition was pending, escaped from the Modelo National Penitentiary. Justice Minister Dr Enrique Parejo Gonzalez and the director general of prisons, Bernardo Echeverri Ossa, were notified at once of this situation, and the quickly arrived at the penitentiary, where they took immediate action.

The judge of the 9th Criminal Court, Dr Humberto Hertas Lopez, has begun the investigations. In an effort to allow the judge freedom of action, the warden of the Modelo National Penitentiary, Dr Humberto Bolivar Urbano Munoez, has been suspended, but this does not imply in any way that he is responsible for the escape.

BRIEFS

LIBERAL PARTY SECRETARY GENERAL -- Bogota -- Carlos Mauro Hoyos, liberal from Antioquia, has been elected secretary general of the Liberal Party. He replaces Guillermo Plaza, who resigned to run for a seat in the last congressional elections. [Summary] [Bogota Cadena Radial Super in Spanish 1730 GMT 2 Mar 86 PA]

RICE SALE TO IRAN -- Bogota -- Colombia has concluded negotiations with Iran to sell it 75,000 tons of rice this year at prices ranging between 330 to 390 pesos per ton. Therefore, the transaction involves between $24 and $30 million. [Summary] [Bogota Cadena Radial Super in Spanish 1730 GMT 22 Mar 86 PA]

LIMA MAYOR, CHAMBER PRESIDENT VIEW OIL CONTRACT

PY241326 Lima Television Peruana in Spanish 0000 GMT 24 Mar 86

[Excerpt] Six months after cancelling the previous oil contracts with the Occidental Petroleum Company, the government last night signed new contracts, but this time under Peruvian conditions. The signing ceremony thus marked a turning point in the national development program. Energy and Mines Minister Wilfredo Huayta, who presided over the ceremony, said that these contracts set the basis for the government's new petroleum policy.

Regarding the signing of these new oil contracts with Occidental Petroleum, Lima Mayor Alfonso Barrantes Lingan stated:

[Begin recording] We are not surprised that these contracts have been signed. Government officials have been saying all along that they were ready to sign them. We feel that the publication of draft copies of the contracts was positive. But we also feel that after the publication of these contracts, a debate should have been opened, an essentially technical debate. In this way the government would have heard the opinion of different sectors. But the discussions we expected did not take place. We wanted all citizens, and the country in general, to express their ideas to see who was right and who was wrong.

The other reason for the discussions was to find out to what extent the government was willing to accept some of the observations and criticisms made by the different parties regarding the signing of the contracts. We are now awaiting the publication of the text of the contracts so we can study them. Only then will we be able to see whether the government was in fact sufficiently flexible in accepting the observations made by the opposition. [end recording]

Luis Negreiros Criado, president of the Chamber of Deputies, today stated that the signing of the new petroleum contracts with the Occidental Petroleum is a sovereign act that complies with the country's interests.

[Begin Negreiros recording] The signing of the contracts is very important and shows the government's nationalistic and realistic policy toward foreign capital. The guidelines of the contracts leave no doubt that they will be beneficial for the country. [end recording]

UNIDENTIFIED SHIP UNLOADS CONTRABAND ARMS CACHE

PY262109 Paris AFP in Spanish 0447 GMT 26 Mar 86

[Text] Lima, 25 Mar (AFP) -- Court authorities in Piura, northern Peru, today began investigating a contraband cargo of arms, allegedly unloaded by a ship flying a Panamanian flag in the Bayovar area, 900 km north of Lima. The cargo was unloaded in the early hours of 28 February when the ship, which was not identified, claimed to have broken down in order to anchor near the Bayovar phosphate mines. Fishermen who noticed the smugglers' maneuvers warned the Navy, which then informed the police. The search in Piura Department has so far been unsuccessful, and it is assumed that the arms cache was transported to Lambayeque Department, further south.

Meanwhile, in Piura, 1,000 km north of Lima, a propaganda campaign by subversive organizations, which have painted graffiti on the walls and put up posters calling people to an armed struggle, has been observed in the last few days.

ICA PREFECT MURDERED BY UNIDENTIFIED PERSONS

PY251239 Lima Latinoamericana Television in Spanish 0300 GMT 25 Mar 86

[Text] This is a last-minute report. The prefect of the city of Ica was murdered tonight. The prefect, Manuel Santana Chiri, was intercepted by two unidentified persons on the streets of Ica and was shot twice in the head. The attackers fled on a motorcycle. This attack took place tonight at 2100. The wounded Ica prefect was taken to the regional hospital in this city, but was dead on arrival. The Interior Ministry released a communique confirming this criminal attack on an authority from the southern city of Ica.

NEWS AGENCY MANAGER ON HAVANA MEDIA MEETING

PY261500 Lima Panamericana Television Network in Spanish 0200 GMT 26 Mar 86

[Excerpts] Ricardo Cervera, manager of the state news agency ANDINA, has reported that presidential adviser Hugo Otero has congratulated him and supported Peruvian participation in a new international order of information.

[Begin recording] [Unidentified reporter] Ricardo Cervera, what is the significance in the fact that Peru has supported the new international order of information? You have just returned from Havana where the conference took place.

[Cervera] Peru has supported from the very beginning this Nonaligned Movement pool of news agencies. Since 1975 Peru has been participating in this, year after year. Even the previous government participated in this movement, and, of course, the current government has no intention of withdrawing.

[Reporter] Was this participation in the Havana conference agreed upon directly with the chief of state, and does the president support Peru's support for this movement?

[Cervera] Well, the presidential adviser, who is also the head of the national communications system and president of the communications enterprise, has congratulated me; and he sent me a telegram in Havana supporting the Peruvian participation in the conference. Peru sponsored some resolutions calling for pluralist, participative, and nonhegemonical communications. [end recording]

10,000 RIFLES PURCHASESD FROM NORTH KOREA

PY261445 Lima Radio del Pacifico in Spanish 1200 GMT 26 Mar 86

[Text] Deputy Interior Minister Agustin Mantilla has stated that no more policemen will be laid off this year, and that the reorganization [of the police force] was concluded in the first days of March. Mantilla added that the 10,000 rifles purchased from North Korea will arrive in May 1986, and that there are no legal, financial, or technical problems in the contract.

SUPREME SOVIET DEPUTY CHAIRMAN MEETS RIVAPALACIO

FL260312 Mexico City NOTIMEX in Spanish 0145 GMT 26 Mar 86

[Text] Mexico City, 25 Mar (NOTIMEX) -- A Soviet delegation consisting of the Deputy Chairman of the Supreme Soviet Yan Y. Vagris, various parliamentarians, and the Soviet ambassador to Mexico, Rostislav Sergeyev, met today with Antonio Rivapalacio, president of the Grand Commission of the Mexican Senate.

According to a report from an official spokesman, at the meeting of Soviet delegates with the Mexican legislative leader the intention of the two countries to maintain their good bilateral relations was stressed. Rivapalacio expressed the importance of the recently activated parliamentary diplomacy, which makes it possible to judge which objectives can be achieved for the benefit of the people. Vagris referred to the call issued recently by the Presidium of the Supreme Soviet to the U.S. Congress for the immediate cessation of nuclear arms tests, and he referred to his country's offer not to carry out atomic tests after 31 March unless the United States resumes testing. The Soviet parliamentarian stressed the support given by the president of the Supreme Soviet, Mikhail Gorbachev, to the antinuclear program of Argentina, India, Mexico, Tanzania, Sweden, and Greece.

GATT NEGOTIATIONS TO BE COMPLETED IN 1986

FL202132 Mexico City NOTIMEX in Spanish 1935 GMT 20 Mar 86

[Text] Mexico City, 20 Mar (NOTIMEX) -- Before this year ends, Mexico will have completed negotiations for entering GATT, it has been announced by Secretary of Commerce and Industrial Development Hector Hernandez Cervantes. The official added that with improved access for Mexican exports, Mexican manufacturing activities would increase considerably.

He explained that protectionism, the deterioration in trade relations, and the low growth rate of the economies of industrialized nations has caused the largest part of the cost of the world crisis to fall on the debtor nations. He warned that the Mexican economic system has given all it can, and that it can be asked to do only what it is capable of doing. The official acknowledged that the social costs that Mexico has paid have largely been passed on to its salaried workers, whose standard of living has dropped substantially.

SILVA HERZOG CALLS FOR SHARING DEBT RESPONSIBILITY

FL252322 Mexico City NOTIMEX in Spanish 2149 GMT 25 Mar 86

[Text] San Jose, 25 Mar (NOTIMEX) -- Mexican Secretary of Finance and Public Credit Jesus Silva Herzog has called for establishing shared responsibility to find a solution to the foreign debt problem. After describing the world economic situation as unpromising for developing countries and stating that domestically the prevailing economic conditions are unbearable, he said that the responsibility for the foreign debt must be assumed by debtor and creditor nations, the international commercial banks, and multilateral financial organizations.

there is no doubt that everyone's contribution is urgently needed. It is imperative that everyone share the responsibility and sacrifice of the peoples of Latin America, Silva Herzog indicated. He added that, to date, the weight of the solution has fallen on the debtor countries. He added that the best-known present formulas maintain in essence the same scheme that was formulated at the beginning of the crisis and insist on recommending what many of our societies have been doing for some time.

Addressing the plenum of governors of the Inter-American Development Bank that is in its second day of meetings in this city, the Mexican secretary of finance and public credit said that, on balance, the work of the bank has been positive without a doubt. He mentioned, as part of its development, the modernization of its operational structure, which has been adapted to the needs of the member countries, the strengthening of its multilateral character, and its financial capacity.

The support the bank has given to rural financing on a large scale, the support given housing and tourism, energy, and industrial development, the support given to the regional process of integration, and the scrupulous financial management of the bank have all demonstrated the flexibility and capacity of the bank to respond. It is necessary to strengthen and take advantage of this potential to better confront the difficult circumstances under which Latin America is evolving, the Mexican secretary said.

Silva Herzog described the present international contest as economically complicated and having precarious political stability. He said the present moment is one of the most critical in recent history. The world economic situation has become unpromising for developing countries. The disparity and low growth rate of the industrialized nations, an insufficient drop in the real interest rates, pronounced drops in the price of basic products, unstable exchange rates, and the intensification of protectionist barriers are all elements that encourage uncertainty and block our efforts at adjustment and development. With regard to the elements that make the domestic situation unbearable, I cite negative gross product growth rates, dropping per capita income, growing unemployment, decreasing investment, and the unfavorable exchange rate.

Returns From IDB Meeting

FL261452 Mexico City NOTIMEX in Spanish 0459 GMT 26 Mar 86

[Text] Mexico City, 25 Mar (NOTIMEX) -- Mexican Finance and Public Credit Secretary Jesus Silva Herzog arrived in Mexico City tonight from the 27th annual meeting of the Inter-American Development Bank (IDB). He expressed satisfaction at the response given to a message sent by Mexican President Miguel de la Madrid to the participants of the IDB meeting.

Interviewed at the Mexico City airport, Silva Herzog said that due to falling oil prices, the international community needs to be more understanding of Latin America's economic problems. Because of this, he added, the message presented Tuesday by the Mexican delegation in San Jose, Costa Rica, stressed the need for more support to overcome the economic crisis and continue development in Latin America.

Silva Herzog was accompanied by Bank of Mexico Director Miguel Mancera Aguavo, Mexican bank president Gustavo Petriccioli, Foreign Credit Finance Director Jose Angel Gurria, and Social Communications Director Rafael Resendiz of the Mexican Finance and Public Credit Secretariat.

DEFENSE FORCES COMMUNIQUE ON ECONOMIC SITUATION

PA221448 Panama City LA ESTRELLA DE PANAMA in Spanish 21 Mar 86 pp 1, C 8

[Communique issued by the Defense Forces of Panama; date not given]

[Text] Whereas:

1. Panama has just gone through a delicate moment during which circumstantial adjustments having important social and economic significance were made.

2. All the responsible forces of Panama have the civic and moral obligation to state their opinion regarding this most important national moment.

3. There is a difficult and complex international situation that directly and adversely affects our country's economic and financial development.

4. The main, and also the most grave, social and economic problem that the government must tackle is the difficulty in generating jobs for the men and women of our country.

5. Until not long ago there were three positions and attitudes regarding this situation:

A. one position called for yielding to the plans drafted by international financial organizations disregarding our situation;

B. a second position was to leave things as they were and to struggle to the end for the status quo; and

C. the third was an extremist position that upheld a simplistic watchword: Do not pay the debt.

6. Those positions and attitudes tackled the current economic and financial problems forgetting that this generation of Panamanians has a sacred commitment to its honorable history as well as a binding obligation to future generations to arrive at the years 1997, 1998, and 1999 with a solid, dignified, and united republic at the lowest possible social cost.

7. Consequently, faced with these inoperative alternatives, some national groups tried to force the march through a road that goes against the final objective of Panamanians.

It is timely to state:

1. That in spite of the economic, social, and political difficulties Panama is experiencing, there is, without a doubt, the will not to lower the banners of Torrijism, whose final objective is to deliver a free, independent, and prosperous fatherland without the presence of any foreign force to a new Panamanian generation in 1999.

2. That the seriousness of the moment must not be hidden from the people, because not only has there been economic pressure, but also the results of that pressure have aimed at dealing a death blow to the Torrijist objective for 1999.

3. That some Panamanians, because of personal interests, ignorance, or naivety, have played a dangerous game being directed from beyond our borders and intended to divide Panamanians, thus facilitating the elimination of the popular achievements secured by the resolution of 1968.

4. That we, as military people, have learned that sometimes it is better to yield a war zone to be able to defend truly strategic points and to engage in intelligent initiatives.

5. That no one should be misled into believing that the decisions adopted by the government team at this moment mean that the Torrijist principles have been completely abandoned. On the contrary, all Panamanians can be certain that in spite of the difficult decisions adopted at this moment, there is the firm and undestructible will to culminate the liberating decolonization program bequeathed to us by General Torrijos. The government team has acted fully aware of its historic responsibilities.

6. That the Defense Forces have renewed the strictly national historic commitment they assumed in 1968, the commitment to remain by our people in their most just and noble struggle of a domestic and international nature. Finally, while reiterating our commitments to the best interests of the Panamanian people, we want to appeal with fondness to our people -- the workers, peasants, students, professionals, and businessmen committed to national development -- to close ranks to face the problems that our country is confronting, and to search for a general economic recovery intelligently, with creative imagination and calmness, and setting aside economic and political interests.

Signed:

General Manuel Antonio Noriega, commander in chief
Colonel Roberto Diaz Herrera, chief of the general staff
Colonel Marcos Justini Fernandez, deputy chief of staff
Colonel Alberto Purcell Dussaive, G-5 of Staff
Colonel Elias Castillo Figueroa, G-3 of Staff
Colonel Leonidas Macias, police force
Lieutenant Colonel Lorenzo Purcell, Panamanian Air Force
Lieutenant Colonel Roberto Armijo, National Navy
Lieutenant Colonel Ricardo Garibaldo, G-1 of Staff
Lieutenant Colonel Eric Aguilera, National Penitentiary
Lieutenant Colonels Rogelio Alva and Guillermo Wong, Defense and Security Commission
Lieutenant Colonel Julio Ow Young, Fort Jose D. Espinar
Colonel Angel Mina Justiniani, Economic Resources

EXPLOSIVES FOUND AT VERAGUAS RADIO STATION

PA261046 Panama City LA PRENSA in Spanish 25 Mar 86 p 1

[Text] The board of directors of the Mares, Inc. enterprise that owns Radio Belen issued a communique yesterday denouncing the fact that on the evening of Saturday, 22 March, approximately 40 sticks of dynamite with wires and gasoline were placed in the transmitters of this radio station. Most of the owners of the station are private businessmen.

The authors of this terrorist action left a message written in red on manila paper that said "Companeros, this is the beginning for the pro-Yankees," signed by FAL [not further identified], an organization that is presumably claiming credit for this action of death and terror, the owners of Radio Belen said.

This terrorist action, the communique added, would have been the first act of terrorism to take place in Veraguas Province and was "coldly prepared and with sufficient time by the criminals so that it would have created terror and panic throughout the community of Los Algarrobos, and therefore, Veraguas Province." The communique adds that the terrorists have sinister goals, according to the S-2 experts of the Defense Forces, as they used chlorate and sulphur, substances that, in a chemical reaction with the gasoline and the 300-foot long wires, would have caused a tremendous explosion.

The terrorists used electrical cable that, according to reports, were lost at the work site of the La Fortuna hydroelectric dam in Chiriqui. They tied these cables to a high-tension post of the IRHE [Institute for Hydraulic Resources and Electrification] and along with the chemicals and the gasoline, placed them throughout the transmitters and the base of the station's antenna where there is a high-voltage box, the communique adds. "There they installed other packets of explosives in order to complete the large chain of terror and death, in an area where peasants and poor people live. Thanks to the strange odors of the explosives, the operator of the transmitters was able to detect the sinister plan and the S2 members and the board of directors of Radio Belen immediately went into action."

The communique points out that Radio Belen has been on the air 2 years and it "promotes respect for human rights within the framework of freedom, equality and fraternity," in addition to "defending the democratic system as the traditional system for our people and private enterprise as the supporting partner in the socio-economic development of our country."

Mares, Inc., which owns Radio Belen, also requested in the communique that the government and the authorities "carry out a very thorough investigation and protect private property. It also denounces before public opinion this outrageous action, because it will not silence the freedom and the rights provided for by the laws and the National Constitution."

The Panamanian people and the people of Veraguas, who have solid democratic traditions, are not receptive to this vandalism that promotes social disintegration, and the station strongly reiterates its stand of being the free voice of the country with positive answers for the community. The communique also urges the Attorney General and the Minister of Government and Justice to carry out a broad investigation to determine the material and intellectual authors of this criminal action.

PRESIDENT'S VISIT TO UNITED STATES CONFIRMED

PA262130 Panama City LA ESTRELLA DE PANAMA in Spanish 26 Mar 86 p A 4

[From the "Names and Events" column]

[Text] It has been confirmed that next week President Eric Arturo Delvalle will travel to the United States on an official visit. In Washington President Delvalle will meet with President Reagan and with other top U.S. Government officials. President Delvalle will also meet with congressional leaders and with prominent figures of the World Bank and the IMF.

COSTA RICA

MONGE CONSIDERS U.S. AID TO HONDURAS 'NORMAL'

PA261333 San Jose Radio Reloj in Spanish 1212 GMT 26 Mar 86

[Text] President Luis Alberto Monge Alvarez has said that it is only normal that the United States should help Honduras in the face of the recent incident with Nicaragua. Monge said that Honduras is a U.S. ally, and therefore it is logical that the United States will help that country in facing an attack. He added that it is possible that the incident between Nicaragua and Honduras will have an influence on the debates at the U.S. Senate for the approval of President Ronald Reagan's request for $100 million for the rebels struggling against the Managua regime. The report added: Nicaragua began an arms buildup in 1979, and because of this aggressive attitude its neighbors have felt threatened. However, Monge said despite the incidents in recent hours there is no danger yet of a war between the countries in the region. I still believe that good sense will prevail above anything else, to prevent a war that would bring more horror and pain to Central America, he added.

MINISTER VISITS TAIWAN IN SEARCH OF INVESTORS

PA261511 San Jose Radio Impacto in Spanish 1830 GMT 25 Mar 86

[Text] Danilo Jimenez Veiga, Costa Rican minister of the presidency, departed for Taiwan this week in search of new investors for the country. Jimenez Veiga was invited to visit by the Government of the Republic of China. He will remain in China until 15 April. Official spokesmen said that the Costa Rican minister of the presidency will meet with Chinese businessmen with the intention of convincing them to invest in Costa Rica.

EL SALVADOR

DEFENSE OFFICIAL VIEWS U.S. CONTRA AID VOTE

PA262207 San Salvador EL DIARIO DE HOY in Spanish 22 Mar 86 pp 5, 11

[Text] Colonel Reynaldo Lopez Nuila, the deputy public security minister, has described as unfortunate the vote in the U.S. House of Representatives rejecting aid for freedom fighters in Nicaragua. The officer was interviewed yesterday by EL DIARIO DE HOY to probe the viewpoint of a Defense Ministry leader on the voting, which has brought about much disappointment among those who see the ineludible beginning of a solution to the problem of terror and subversion in Central America in the downfall of the Sandinist regime.

Col Lopez Nuila said that we must accept the contradictions of U.S. democracy. The officer reiterated that as long as the Sandinists are in Nicaragua, the democracies and fates of Latin American peoples are in danger and "we are all aware of this; however, we must wait for initiatives; as the President said, not everything has been lost." Col Lopez Nuila also commented on reports from abroad stating that Colonel Omar Napoleon Avalos' kidnappers have demanded an estimated 18 million colones, 85 jailed terrorists, and some war ammunition and supplies. He said: "All that is speculation, there is nothing specific." Asked whether the Army knows anything about the kidnapper's health, the deputy minister said that in fact "through communications with his relatives, we know that he is in good health, but nothing more." He denied that Col Avalos has been seen by the International Red Cross or other organizations claiming to defend human rights. The officer added: "That is what the terrorists talk about; they demand respect for human rights and war agreements, but are the first ones to violate them, because they do not allow anyone to see kidnappees, who are not prisoners of war, but just kidnappees."

REBELS SUPPORT LIBYAN REACTION TO U.S. ATTACKS

PA262033 (Clandestine) Radio Venceremos in Spanish to El Salvador 1917 GMT 26 Mar 86

[Communique issued by the FMLN General Command on 25 March 1986; read by announcer]

[Text] On 24 March U.S. aircraft carried out the gravest aggressions staged during the past several years when they attacked the coasts of the Gulf of Sidra and the city of Surt, in the territory of the people's republic of Libya. [as heard]. The Pentagon had been planning these attacks by the U.S. Navy for several weeks. The White House and the U.S. Government's propaganda machinery first linked Libya with acts of terrorism that occurred in Europe. More recently they claimed a presumed right that the United States has to navigate in all waters according to that country's whim and convenience by declaring them international waters.

Thus, the United States's military attacks were premediated. The actions are purely criminal and sheer banditry and an assault on international law which jeopardizes coexistence between nations and regional and world peace.

The FMLN therefore condemns and emphatically expresses its outrage over this criminal action by the U.S. Government. At the same time, it states that one of its ends is to exacerbate the U.S. people's [word indistinct] and distract its attention from Reagan's aggressive actions in Central America, which most of the U.S. people condemn at a time when hysterical efforts are being made to legalize the aid to the mercenaries that attack Nicaragua from neighboring countries. The FMLN hereby expresses its solidarity with the Libyan people and leaders, who are facing this new imperialist aggression firmly and honorably. We are certain that the imperialist adventure will be defeated and that the cause of justice, independence, sovereignty, and self-determination of peoples will prevail. Libya's reaction to the imperialist aggression is legitimate. It upholds the banner of all the people's honor.

RADIO VENCEREMOS' OVERVIEW OF RECENT FMLN ACTIONS

PA260014 (Clandestine) Radio Venceremos in Spanish to El Salvador 1830 GMT 24 Mar 86

[Text] We will now recount the FMLN's military actions during the week that ended yesterday, Sunday. We report that we inflicted 154 casualties on the puppet army's troops during the past week. We repeat, 154 casualties. Of these 154 casualties, 77 were caused by mines of various types.

During the week we seized the following war material: 56 rifles. We repeat 56 rifles were seized from the puppet army and its paramilitary forces during the week that ended yesterday. We also seized an M-79 grenade launcher, 200 clips for M-2 rifles, 51 military kits, (?20,000) cartridges for the rifles seized, and a TRT-77 military communications radio, as well as other military supplies. During the week, our guerrilla forces, our urban commands in San Salvador, carried out the important sabotage action at the General Directorate of Statistics and Census in broad daylight and right in downtown San Salvador. Also during the week, guerrillas harassed and attacked enemy positions in San Ramon, Ciudad Delgado, and in other places in San Salvador's outskirts.

Meanwhile, sabotage actions against electrical power equipment were carried out in areas such as Apopa, Nejapa, Soyapango, and, of course, in the other departments throughout the country.

During the week we continued with our practice of attrition to wear out enemy operations, primarily in Guazapa and Chalatenango, and we highlight the seizure of many rifles in Jerusalen and the incursion in Santiago Nonualco, also in La Paz Department, where we increased the guerrilla victories of the FMLN in the past few days. [Words indistinct] last week, we continue to apply correctly and thoroughly, the strategic line issued by our general command of spreading the people's war to the entire territory.

GUATEMALA

CEREZO VIEWS TRIP TO VENEZUELA, PUERTO RICO

PA242258 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 24 Mar 86

[Excerpts] President Vinicio Cerezo returned this afternoon to Guatemala after a working visit to Venezuela and Puerto Rico, automatically resuming his presidential post. The white and blue military airplane carrying Cerezo was accompanied by two Air Force combat planes. It landed at approximately 1700. A ceremony was held at the central ramp. After 1 week out of the country, Cerezo made brief statements and said that he would give a broad report on his trip next Tuesday:

[Begin recording] [Cerezo] This has been a very successful trip, and I am very satisfied. Guatemala is now appreciated and loved throughout the world. I was welcomed and applauded by all of the people, and they have felt the affection and love of the Guatemalan people, who have opened their arms to everyone.

[Unidentified reporter] Is Puerto Rico giving Guatemala any aid at this time?

[Cerezo] This was a good opportunity to broaden relations in the Caribbean, and we have spoken with Jamaica and other countries to initiate a process in this regard. [end recording]

Meanwhile, Deputy Foreign Minister Francisco Villagran de Leon reported on what happened during the trip, especially in regard to the Central American parliament:

[Begin recording] [Villagran] We received an extraordinary welcome in Venezuela. Venezuela demonstrated its warm appreciation for Guatemala, the president was well received, and this makes us feel very encouraged.

[Unidentified reporter] Any reaction to Guatemala's position [words indistinct]? It has been said that Guatemala does not support Ronald Reagan's government in [words indistinct].

[Villagran] Venezuela firmly supports the Contadora Group, and Guatemala agrees with that position. I must say that the U.S. Congress' vote has been interpreted by Guatemala as a positive vote, and it has also been interpreted as an attitude of encouragement for Nicaragua, so that Nicaragua can open a dialogue with its political opposition groups and respond positively to this U.S. Government attitude. The U.S. Congress has supported the negotiation process, and I believe that Nicaragua should respond positively. This is my position.

[Reporter] Any comments regarding Venezuela's reaction to the Central American parliament?

[Villagran] The idea of the parliament was very well received in Venezuela and I am very pleased and encouraged.

Venezuela has even offered technical assistance for the structuring of the parliament, and the Andean Pact has even approached the president to offer its full support in the formation of the parliament and establishment of its internal mechanisms. [end recording]

FINANCE MINISTRY CREATES DEPUTY MINISTER POST

PA202359 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 20 Mar 86

[Text] Today government bureaucracy continues to grow without control in the Christian Democratic regime with the creation of the post of a third deputy minister in the field of public finance. The Executive Branch has issued a resolution creating the new post of deputy minister in a ministry where there are already two second deputy ministers. In the above-mentioned resolution, there are vague references to the duties assigned to the new official, stating that these duties will be geared to taking care of nongovernment organizations and other sectors associated with popular participation with productive goals and of social benefit in accordance with the duties that may be detailed through a ministerial resolution. The reference to a social benefit as a result of the creation of this new deputy minister seems to be incongruent, unless social benefit is taken to mean the use of greater resources of budget allocations to maintain an already costly bureaucracy while the people need action.

URNG LEADER BLAMES GOVERNMENT FOR DISAPPEARANCES

PA262226 Madrid EFE in Spanish 1405 GMT 26 Mar 86

[Text] Setubal (Portugal), 26 Mar (EFE) -- A Guatemalan rebel leader, who for security reasons identified himself only as "Carlos," today blamed the Guatemalan Government for the disappearance of at least 38,000 people. "Carlos," a leader of the URNG, made this statement in Setubal, 40 km south of Lisbon, during an event commemorating the fifth anniversary of the assassination of Salvadoran Bishop Msgr Oscar Romero. The rebel spokesman stressed the important role played by the Catholic Church in "creating awareness among the Guatemalan population, particularly among the Indians." The guerrilla leader said several priests have been persecuted and that at least 15 priests and 3 nuns have been killed by the government. "Carlos" denied the existence of an organized communist party in Guatemala, because the majority of the communists have been killed by the Army". [quotation marks as received] He added that his group has popular support, as well as the support of the 46,000 Guatemalan refugees in Mexico. "Carlos," who will travel to Madrid today, also said that despite the scarcities of all kinds the Guatemalan people are currently facing, "the dictatorship will soon be overthrown." [sentence as received]

HONDURAS

REPORTAGE ON CLASHES NEAR NICARAGUAN BORDER

U.S. Helicopters Airlift Troops

PA261612 Panama City ACAN in Spanish 1508 GMT 26 Mar 86

[Text] Tegucigalpa, 26 Mar (ACAN-EFE) -- This morning U.S. and Honduran helicopters airlifted an infantry battalion and all of its support gear to the country's east, bordering with Nicaragua, it was officially reported.

The troops are under orders to dislodge from Honduran territory the Sandinist soldiers who according to intelligence reports entered the country on Sunday under the pretext that they were pursuing counterrevolutionaries. The airlift of troops and equipment began at 0600 (1200 GMT) on board UH-1H, UH-18, CH-47 (Chinook) helicopters. So far 24 helicopters have been used to mobilize the combat troops to the front lines, where since yesterday soldiers have been posted at observation points.

The American helicopters are not gunships, though the Honduran ones were seen to be carrying missiles and machine guns. These were positioned in strategic locations to protect the aerial unit.

The Americans are under express orders not to get involved in any confrontation between the Hondurans and Nicaraguans. Their sole mission is to transport personnel to safe places from which the Hondurans will use their own means to reach the combat area. The orders issued to the Americans were given by U.S. Southern Command head General John Galvin, who was in Tegucigalpa yesterday. Galvin evaluated the Hondurans' logistical requirements in anticipation of President Reagan's approval of $20 million in emergency military assistance for the Honduran Army. The Hondurans possess the most sophisticated and professional Army in Central America, but they still have mobilization problems that will be overcome once concrete negotiations currently underway with the United States for the purchase of Hercules C-130 troops transport aircraft are completed.

The Armed Forces has promised to keep the citizenry informed on developments on the border with Nicaragua in the event any clashes break out. However, the Foreign Secretariat announced that contacts have been made with the Nicaraguan Government, which was asked to order its troops to evacuate Honduras to avoid military confrontations.

Unofficial reports confirmed that the Nicaraguan counterrevolutionaries ambushed some 1,500 Sandinist troops that were pursuing them and that they constantly harassed these troops, inflicting many casualties on them, but this report has not been officially confirmed.

'Contra' Defends Efforts

PA261650 Tegucigalpa Cadena Audio Video in Spanish 1540 GMT 26 Mar 86

[Text] In our news department we have been receiving telephone calls from several people who identify themselves as Nicaraguan counterrevolutionaries. One of them has told Radio America that if they were not fighting and holding back the Sandinists on the border, the Sandinists would already be quite deep inside Honduran territory. Here is what this person who said he is a counterrevolutionary and who has arrived from border stated:

[Begin recording] [Unidentified reporter] A person coming from the Honduran-Nicaraguan border and who said he is a counterrevolutionary said that if it were not for them, the Sandinists would already have entered more kilometers inside Honduran territory. Go ahead sir.

[Contra] Listen, I am always listening to criticism of the contras. Those criticisms are unjustified, because if it were not for our presence and our fight against the communist enemy the Sandinists would already be causing problems and disorders in Honduras. We are the cannon fodder. We are enduring those attacks from them. We struggle for democracy not only in Nicaragua but in Central America. What I want to make clear is that while the contras go hungry, suffer from the cold, and are badly equipped, we are protecting Honduran territory from inside Nicaraguan territory, because we wage our battles from there against the communist forces that are pursuing us or that want to cause problems for the Hondurans on the border.

Therefore, the opinions about us should be more just. We [words indistinct] in serious problems, but we just enter for a few minutes and then we return to Nicaraguan territory because our struggle is in Nicaraguan territory and not in Honduran territory.

[Reporter] What do you have to say about international reports that say that the Sandinists and the forces that fight against them have suffered approximately 150 casualties?

[Contra] There must be deaths on both sides. Remember that the only thing that the Sandinists have is a large number of men who have been forced into service and who are not expert or skilled in using weapons. However, we are experts in guerrilla warfare. We are sure that we are going to win. With or without the support of the $100 million, we will continue the struggle. Now then, we hope that Ronald Reagan will go down in history because when [number indistinct] months are left of his term, we know that he will give all his military support so that we can expel the communists from Nicaragua [words indistinct] history will judge this.

[Reporter] How many Sandinists have died in that sector?

[Contra] You know that we cannot count the dead. It is a fight in open fields and they pick up their dead and take them away. We give an estimate of the number of dead because each side picks up the dead. They try to make sure that none of their dead are left so that they can say that the dead are only on our side. We have attacked them hard and thousands of the young militiamen, boys who do not even know how to use a rifle and who are just cannon fodder, have died.

[Reporter] When you say that the dead are taken to Nicaragua, does this not mean that they are not under siege and they can return to Nicaragua?

[Contra] Well, they prepare the sieges but we break through them and that is when we ambush them.

[Reporter] When did the battles in the areas of Espanol Grande, Las Vegas, and other sectors begin?

[Contra] Well, they have periodically taken place, like right now when we are preventing them from entering Honduran territory [as heard] so that we will not be involved there either.

[Reporter] What is your nom de guerre?

[Contra] I cannot tell you. I am not authorized to do this. I was listening to the radio, and since I was passing by I wanted to explain things.

[Reporter] Does this mean that you are returning to the battlefront?

[Contra] Of course, I wish that you would visit the fronts if the Honduran authorities would permit it because [words indistinct]. The civilians do not understand the military tactics, and that is why there is confusion. [end recording]

Honduran Soldiers Wounded

PA262012 Paris AFP in Spanish 1900 GMT 26 Mar 86

[Text] Tegucigalpa, 26 Mar (AFP) -- An officer and several soldiers of the Honduran Army were wounded during a clash with Sandinist troops in Honduran territory, a press correspondent in the eastern city of Danli, El Paraiso Department, bordering with Nicaragua, has told AFP.

The informer said that yesterday afternoon the wounded soldiers, including an officer identified as Captain Rolando Antonio Serrano Nunez, were transferred [words indistinct] based in Cucuyagua, Copan, in western Honduras, which was transferred to the area last February to relieve the 4th Battalion based in the Atlantic port of La Ceiba.

Approximately 10 days ago the Honduran troops in that area were reinforced with those of the 6th Battalion stationed in Ojo de Agua, El Paraiso. Reliable sources reported that two combat planes overflew the area this morning, noting that the area in conflict includes Llamales, 20 km from the Nicaraguan border where a contra base operates, Arenales, Espanol Grande, and Las Vegas, located 6 and 8 km from the border and approximately 200 km east of Tegucigalpa.

Meanwhile, another reliable source told AFP in this capital that the Sandinist troops that entered Honduras "are withdrawing."

On Tuesday it was learned in Danli that approximately 900 Nicaraguan soldiers had been encircled by rebel forces and Honduran troops in the Arenales sector, approximately 6 km from the border. However, last night Commander Joaquin Cuadra, the Nicaraguan deputy defense minister, denied those reports, stressing that not a single Sandinist soldier had crossed the border. The Honduran sources added that "the intensity of the fighting has reduced considerably since the clashes began on 22 March."

Meanwhile, a diplomatic source told AFP that General John Galvin, chief of the U.S. Southern Command stationed in Panama, met yesterday with General Humberto Regalado, commander in chief of the Honduran Armed Forces, and maintains permanent contact with the Honduran Armed Forces staff.

According to our informer, the transfer of new Honduran troops to the area in conflict began this morning in 18 helicopters of the U.S. Air Force stationed in the Palmerola base, in the country's central region. The source added that today, at 0800, a fleet of 10 UH-1 helicopters with a capacity for 30 people overflew the capital and headed for El Paraiso. The source said that the U.S. Air Force will transport between 500 and 600 Honduran soldiers to El Paraiso. The source told AFP that Gen Galvin "is coordinating all the operations" of the transport of Honduran troops to El Paraiso.

The Palmerola base, the permanent headquarters of the U.S. forces stationed in Honduras since the end of 1982, is also under the Southern Command.

Other sources indicated that the Sandinist Army's casualties were "very high," letting it be understood that they are more than 100, the number mentioned yesterday by persons coming from the area of conflict. Nevertheless, the Nicaraguan Government categorically denied the alleged incursion into Honduras by the troops of the EPS, and it asked the Contadora Group to send a mission to oversee the border region to prevent the worsening of the situation.

Hundreds of Casualties Reported

PA262144 Panama City in Spanish 2023 GMT 26 Mar 86

[By Armando Cerrato]

[Text] Tegucigalpa, 26 Mar (ACAN-EFE) -- According to rebel sources, civilians, and military men at the border area, Sandinist soldiers and contras are engaged in heavy clashes in Honduran territory. Hundreds of casualties have been inflicted.

The clashes have occurred east of Cifuentes, in the eastern department on El Paraiso, on the border with Nicaragua. Cifuentes residents and Honduran military men stationed nearby today indicated that "heavy clashes are occurring in the Arenales, Espanol Grande, El Espanolito, and Capire areas."

None of the sources, however, has confirmed having seen Sandinist soldiers in Honduran territory.

It has been said that the noise of the battle is constantly increasing. Automatic rifle and light machine-gun fire is heard, in addition to medium-caliber mortars.

The "Maritza Zeledon" and "Fermin Espinoza" rebel task forces, composed of about 4,000 FDN men, were in the Capire area this weekend. The clashes have been taking place since Sunday, when a rebel contingent entered Honduran territory while being chased by about 1,500 Sandinist soldiers. The rebels, through radio communication, obtained the support of the forces in Capire. They have surrounded the Sandinists, who are in a difficult situation.

Meanwhile, Nicaragua's regular forces are facing a bottleneck [tienen un "tapon"] of Honduran Army soldiers who had been deployed since last Friday to reinforce two battalions operating in the zone. According to rebel spokesmen in Tegucigalpa, "casualties on both sides are heavy, and it is believed that the anti-Sandinists have suffered more than 100 deaths and approximately 200 injuries."

Honduran soldiers and peasants have told the press that hundreds of birds of prey can be seen in the combat areas. More Honduran troops were deployed yesterday and today to Cifuentes with instructions to protect the civilian population and repel any Sandinist attack. The Honduran deployment has been carried out to prevent the Sandinists from trying to send other contingents into Honduran territory to rescue their comrades who are facing problems, according to official reports.

The Honduran Foreign Ministry has made efforts to get the Nicaraguan Government to order the withdrawal of its troops. The Sandinist government insists that its troops have not crossed the border line; however, it says that strong clashes with rebel forces are taking place near the border, which has only been crossed by the fleeing contras.

Armed Forces News Conference

PA262330 Tegucigalpa Radio America in Spanish 2256 GMT 26 Mar 86

[Text] This is a last-minute report from the Armed Forces' public relations office. This is journalist Miriam Mercado reporting. About 10 minutes ago Major Jose Alberto Arguello of the Army public relations office presented two Sandinist prisoners captured in Honduran territory. The following is Maj Arguello during this event:

[Begin recording] [Arguello] The Honduran Armed Forces have (?found) [words indistinct] evidence pointing to the warmongering invasion of the Nicaraguan EPS. After this statement, an Armed Forces communique will be issued, where broad information will be given about the current situation. These two men whom you now see -- keeping in mind that we have signed the Geneva Treaty -- are EPS soldiers captured by the 7th Infantry Battalion in our territory, about 15 km inside our border. The evidence includes a diary that the men have been carrying.

It says this: After fighting for 8 days we arrived at [words indistinct]. (?There is the BLI) [unconventional warfare battalion]. On Wednesday, 12 March, we left to bring rations from the command post. On Thursday, 13 March, we returned to the Coco River with the rations. On Friday, 14 March, we left on a mission for El Amate and weighed anchor at 1240. On 15 March we left Parpar at 0600 and arrived at Chilamate at 1430. On Sunday, 16 March, we sat down and rested on a hill. On Monday, 17 March, we walked the whole day and arrived at Yamal and there we were given rations. On Tuesday 18 March, we left Yamal to go deep into Honduran territory. On Wednesday, 19 March, we continued into Honduran territory. At 1030 on Thursday, 20 March, we arrived at a camp, but they [not further identified] fled without fighting.

As you can see, gentlemen journalists of the local and international press, this is clear evidence of the warmongering action of the EPS, which has carried out similar actions for several years. We have been suffering and putting up with the Sandinists from beyond the Coco River. We have signed the Geneva Treaty, and we will ask the prisoners four questions only. We are going to ask the first Sandinist soldier the four questions. Tell me your full name.

[Hernandez] My full name.
[Arguello] Yes.
[Hernandez] My name is Salomon Hernandez Mayorga.
[Arguello] Your serial number?
[Hernandez] 0171880.
[Arguello] To what unit of the Sandinist Peoples Army do you belong?
[Hernandez] To the Francisco Estrada.
[Arguello] Where were you captured?
[Hernandez] Approximately 15 km inside Honduran territory.
[Arguello] We are going to ask the other soldier his name.
[Sandino] Carlos Alberto Sandino.
[Arguello] Your serial number?
[Sandino] 050023.
[Arguello] To what unit of the EPS do you belong?
[Sandino] To the Francisco Estrada unit.
[Arguello] Where were you captured?
[Sandino] I was captured in Honduran territory [words indistinct]
[Arguello] Newsmen this is all. We thank you very much for being here. [end recording]

[Mercado] You have just listened to Maj Jorge Alberto Arguello, director of the Armed Forces Public Relations Office, who presented today to local and foreign newsmen two EPS prisoners, who were identified as Salomon Hernandez Mayorga and Carlos Alberto Sandino. Next, Companero Walter Padilla will read a communique urgently issued today by the Armed Forces.

[Begin recording] Official communique: The Honduran Armed Forces Public Relations Directorate, based on the communique issued by the government for the local and international public opinion, reports:

1. Since Monday, 17 March, the EPS has been making incursions into Honduran territory along the eastern border sector.

2. To control the situation, the Honduran Armed Forces have deployed a task force comprised of Army units with the mission of halting the EPS incursions and immediately restoring the border that legally exists between Honduras and Nicaragua.

3. Likewise, it has been necessary to provide the security required by the civilian population in the zone, to prevent the abuses common and characteristic of the aggressive troops.

4. So far no casualties have been reported on the part of our troops. There has only been the machine-gunning of a helicopter of our Air Force, which was on a reconnaissance mission approximately 12 km inside our territory, which was damaged by the invading troops.

5. It is important to mention the fact that located in the area where the Sandinists have invaded our territory is the route used in the past by the subversive contingent under the command of Dr Jose Maria Reyes Mata. This confirms that the main objective of this operation is to give protection to the penetration of subversive groups trained in Cuba and Nicaragua, to destabilize the constitutional and democratic Government of Honduras.

6. For obvious reasons, the Armed Forces did not report to local and international public opinion the seriousness of the situation in order to maintain the calm and tranquillity of the people during this period of rest and spiritual retreat. However, we reiterate once again that our soldiers are fully complying with their sacred mission to defend our sovereignty and national territory.

[Signed] Tegucigalpa, 26 March 1986; Armed Forces Public Relations Directorate. [end recording]

Commentary Views Border Problem

PA261448 Tegucigalpa Cadena Audio Video in Spanish 1245 GMT 26 Mar 86

[Station commentary: "A Vacillating Government"]

[Text] As a result of the recent developments at the border with Nicaragua, news reports originated in Washington claiming that the Sandinists launched a 1,500-troop invasion in eastern Honduras' Olancho Department, where the EPS reportedly violated Honduras' territorial integrity. It strikes us as odd that all these reports came out of Washington at the precise moment that the president of the United States was asking the Senate to approve $100 million in aid for the Nicaraguan counterrevolution that is attempting to overthrow Managua's Sandinist regime.

Initially, the Honduran Government, as was expected, denied that the invasion had taken place. The Honduran Government's press secretary not only denied the report, which was gaining scandalous notoriety in Washington, but attributed it to the White House's desperate attempts to move the U.S. senators to approve the aid for the Nicaraguan contras. This aid seems to have become a question of honor, a life-or-death matter, for President Reagan. However, in view of Washington's insistence, it seems that the Honduran Government had no other option but than to admit that our territory had in effect been transgressed by 1,500 Sandinist troops in the eastern Olancho Department. The night before, the Honduran National Security Council had met. The foreign secretary irresponsibly and hesistantly stated that it appeared -- though this was not confirmed -- that Sandinist soldiers were fighting against the counterrevolutionaries inside Honduran territory.

The government came up with new surprises yesterday. First, journalist Lisandro Quezada told us that there had been no invasion and that proof of this was the tranquillity that prevailed throughout the nation and in all of its institutions, including the Armed Forces. This showed, he said, that Honduras was not involved in any situation of tension or war with Nicaragua. Moments later, however, the government's press secretary read a communique handed to him by Foreign Secretary Carlos Lopez Contreras, in which the government acknowledged that Sandinist troops had attacked our territory, adding that due to the terrain in Olancho, the government had requested Air Force assistance from the United States to deploy Honduran troops to the area to safeguard Honduras' territorial integrity.

The cables from Washington also indicated that Honduras had asked the U.S. Government for $20 million to deal with the crisis with Nicaragua. Once again the Honduran Government's press secretary said yesterday that President Azcona had not requested that aid. Nonetheless, minutes later he confirmed that the assistance had indeed been requested from the United States. The cables from Washington said that Azcona had personally asked President Reagan for $20 million in military aid.

The day ended amidst denials and subsequent confirmations. It was a day full of contradictions that proved that the guidelines are coming from abroad and that after Washington said we had been invaded, here, after a number of denials, the report of an invasion was also confirmed.

The truth is that the entire border area between Honduras and Nicaragua is an area of permanent conflict between the Sandinists and the counterrevolutionaries. Our country's border with Nicaragua has become a no-man's land. On that border the contras and the Sandinists fight every day while no one in Honduras claims sovereignty over that territory, which should not be the scene of foreign troop conflicts.

The contras live there. By now, that is an irrefutable fact. From there they attack Nicaragua. The Sandinists reject those attacks, entering Honduras to pursue the contras when they retreat or flee, destroying crops and farm areas as they advance, taking with them the fowl and domestic animals owned by the Honduran villagers and rural inhabitants. The entire border strip in El Paraiso Department is victimized as a result of the skirmishes that the counterrevolutionaries and Sandinists stage daily. So much so that those clashes have become routine in the lives of our border population. It makes area residents anxious, but not so the Army. The Hondurans in the area have been requesting the deployment of Honduran Army troops to the area to safeguard their safety and property for a long time. However, thus far our Army has failed to answer that call. Why? Perhaps because it is difficult for our Army to control the counterrevolutionaries, as it would also be difficult to prevent the Sandinists from firing at Honduras, when they are being attacked by the contras from this side of the border. This is the real situation at the border.

All of Honduras' border territory has become a no-man's-land because the Honduran Army has not wanted to fulfill its constitutional duty in that area, which is to defend and safekeep Honduras' territorial integrity to ensure that no foreign troops, force, or military unit -- regardless of its ideology -- be there on a permanent basis. While this is happening, while the contras are there attacking Nicaraguan territory and the Sandinists responding, justifying these incursions into Honduras by saying that they are pursuing the counterrevolutionaries; while all of this is going on the Honduran Government's hesitation to deny situations that have not taken place only helps increase tension among the Honduran people.

Meanwhile, those Hondurans who lived in Las Trojes, Arenales, Espanol Grande, El Porvenir, and other areas have all had to flee deeper into Honduran territory, because there is no one, no Honduran Army, to safeguard their safety and property. The Honduran side of the border has become a no-man's-land. Clashes between the contras and Sandinists take place there every day. The Hondurans have no control over that area.

NICARAGUAN AMBASSADOR SAYS RELATIONS 'NORMAL'

PA261932 Tegucigalpa Cadena Audio Video in Spanish 1840 GMT 26 Mar 86

[Text] A few minutes ago Nicaraguan Ambassador to Honduras Danilo Abud Vivas arrived at the Foreign Secretariat. He met with Roberto Suazo Tome, who is in charge of the Foreign Secretariat affairs. The U.S. Embassy's political counselor also went to the Honduran Foreign Secretariat. Here is a report by Francisco Medina.

[Medina] Radio America's press department obtained an exclusive interview this morning with Nicaraguan Ambassador Danilo Abud Vivas and U.S. Embassy Political Counselor Theodore Wilkinson, who held separate meetings this morning with Roberto Suazo Tome, who has been placed in charge of the Foreign Secretariat affairs during Holy Week. In view of the recent events on the border which have caused tension in both Nicaragua and Honduras, we interviewed the Nicaraguan ambassador after his meeting with Suazo Tome. The Nicaraguan ambassador delivered to Suazo Tome a document requesting the intervention of the Contadora Group and other international organizations so they will investigate the situation on the border with Honduras.

[Begin recording] [Medina] How would you describe the Honduran-Nicaraguan relations at this time?

[Abud Vivas] We continue to maintain that relations are normal, and some communications have been exchanged between the two presidents in recent days which shows the normal situation and the flow of communications that exists. This shows that the political means and the civilized path of dialogue are the ideal way to resolve any disagreement and to find a solution to the Central American problem.

[Medina] Is there no danger that hostilities will break out, leading to a conflict provoked by foreign elements?

[Abud Vivas] We have always been concerned that the counterrevolution, in its desperate attempt to achieve some legality or to show that it still exists even though it is experiencing a clear military defeat, would want to create artificial incidents that will give Nicaragua the image of the aggressor, that it would provoke a conflict between both armies, or that it would provoke a confrontation with U.S. troops because it is known that they are involved in military exercises in El Paraiso Department [words indistinct]. Therefore, any spark of this nature could light a conflict that we are sure neither the Honduran nor the Nicaraguan Government desire.

[Medina] Have you received confirmation from your government that as part of the efforts that your government is carrying out to stop the advance of the counterrevolutionaries, it has entered Honduran territory to continue pursuing them?

[Abud Vivas] The fact that the Nicaraguan foreign minister is addressing a letter to the Honduran foreign secretary to emphasize that it is false that such an incursion has taken place reaffirms that reality. I want to make it clear that the EPS carries out large military offensives against the infiltration attempts by the counterrevolutionaries but those offensives are carried out inside Nicaraguan territory.

[Medina] Are you constantly in touch with your government, and might you be summoned to your country to report on what is really taking place here?

[Abud Vivas] I have been in permanent touch with my government. I have not been summoned for consultations. That is the usual practice in some difficult circumstances. I might be traveling today, but strictly for the purpose of Holy Week vacation. [end recording]

ARMY CONFIRMS EPS DAMAGED HELICOPTER 17 MARCH

PA262319 Panama City ACAN in Spanish 2254 GMT 26 Mar 86

[Text] Tegucigalpa, 26 Mar (ACAN-EFE) -- The Honduran Army today reported the machine-gunning by Sandinist forces of an Air Force helicopter last Monday in the eastern part of the country, on the border with Nicaragua. An official bulletin points out that the helicopter was seriously damaged by the "hostile fire" in Cifuentes, where it was carrying out a reconnaissance mission, but that none of the crew members were injured. The same communique points out that the Sandinists have been in the national territory since last Monday, the 17th, and that proof of this is the machine-gunning of the helicopter approximately 20 km from the border with Nicaragua. To repell these actions -- the Army bulletin said -- a task force has been formed by several units with sufficient capacity to return the invading troops to their side of the border.

NICARAGUA PLEDGES TO PAY ELECTRICITY DEBT

PA261748 Tegucigalpa Cadena Audio Video in Spanish 1412 GMT 26 Mar 86

[Text] Despite the prevailing tense relations with Honduras, Nicaragua intends to pay its debt to the Honduran Government, which totals more than 138 million lempiras, owed for the purchase of electrical energy from Honduras. The Sandinists owe $15 million, and it will pay off that debt within the next several days, the National Enterprise for Electric Power (ENEE) manager Jack Arevalo Fuentes said. If Nicaragua does not pay in dollars, it will pay by selling us products that we are currently importing from other countries. Douglas Membreno has this report.

[Begin recording] [Arevalo] The ambassador of Nicaragua came to see us. He said the Nicaraguan Government has every intention of paying because it wants us to continue selling energy to Nicaragua.

[Membreno] How much does Nicaragua owe? We heard 15 million, then 90 million [currency not specified].

[Arevalo] The debt is $14 million to the ENEE and $55 million that it owes to the country. We are also in a position to report that yesterday Panama expressed an interest in purchasing energy from Honduras. We will probably begin selling it to that country within a week or two.

[Membreno] Do you believe Nicaragua is planning to pay its debt to Honduras, when we a ere in a crisis due to the incursion by Nicaraguan troops in our territory?

[Arevalo] Yes. They were emphatic in stressing their interest in canceling that debt.

[Membreno] What will Honduras do if Nicaragua fails to pay?

[Arevalo] I do not know. The economy secretary would have to decide. [end recording]

Despite the current crisis, Nicaragua will be able to pay its debt by exchanging a list of 50 items made in Nicaragua.

[Begin Arevalo recording] I am really not familiar with that. I presume that clorox, cotton, and bathroom fixtures, would be on that list. However, I believe it is a list of 50 products that Honduras is currently purchasing abroad with dollars. [end recording]

NICARAGUA

GOVERNMENT MESSAGE TO HONDURAS DENIES INCURSION

PA270024 Hamburg DPA in Spanish 2349 GMT 27 Mar 86

[Text] Managua, 26 Mar (DPA) -- The Nicaraguan Government today sent an informative message to the Honduran Government saying that EPS soldiers have not invaded Honduran territory, a Managua Foreign Ministry official has revealed. Reports obtained by DPA point out that the Honduran Government a few days ago sent a note to the Sandinist government asking for an explanation of "alleged infiltrations" by Nicaraguan soldiers in Honduras. The Nicaraguan note sent to Tegucigalpa seems to have clarified doubts regarding the infiltrations, which are considered by Managua to be a U.S. tactic regarding the actions of the "Somozist mercenaries" financed by the Ronald Reagan administration and part of the counterrevolutionary project.

Sources in the northern city of Ocotal said that the urban sectors of the border region appear to be calm, but a report from the Defense Ministry points out that in the rural zones the Army is pursuing approximately 600 mercenaries who a few days ago entered the country in a "propagandist campaign" in favor of the $100 million that President Reagan is seeking in the Senate in order to continue financing the contras.

In the Nicaraguan capital, the central government is on a week's vacation, and there is a similar situation in Honduras, where it was reported that President Jose Azcona has left Tegucigalpa on a trip with his family. Other sources point out that the "infiltrations" were a "game" played by the Reagan administration to give the Honduran Government $20 million and to deploy U.S. transportation units with Honduran forces to the Nicaraguan border to create "artificial" tension and promote the "campaign for the $100 million," which is being discussed at the U.S. Senate.

Cuadra Denies Claims

PA261952 Panama City ACAN in Spanish 1826 GMT 26 Mar 86

[Text] Managua, 26 Mar (ACAN-EFE) -- Commander Joaquin Cuadra, chief of staff of the Sandinist Army, has challenged the U.S. Government to provide proof that Sandinist soldiers invaded Honduran territory.

A high-ranking Foreign Ministry source today told ACAN-EFE that Sandinist troops are near the Honduran border but not crossing the borderline in order to repel rebel forces that are still in Nicaragua. Washington and Tegucigalpa authorities have charged that approximately 1,500 Sandinist soldiers entered Honduran territory on Sunday in pursuit of the anti-Sandinist fighters.

"If what Reagan said were true, at some moment the White House or the Tegucigalpa government would have to present proof that they are holding Nicaraguan soldiers," Cuadra said. The military chief admitted that the battles with the rebels are taking place in several locations on the border with Honduras, but he denied that Nicaraguan troops have entered Honduran territory. Cuadra explained that approximately 600 contras who infiltrated Nicaragua from Honduras on 11 March have been repelled by the Sandinist combatants. "Those counterrevolutionaries are surrounded and desperate to return to their sanctuary," the high-ranking Sandinist chief said. Cuadra said that the main battles are being waged in the area of Teotecacinte in Nueva Segovia Department, "in Nicaraguan territory." He added that the EPS High Command has deployed special troops to the border with Honduras to repel the attacks by the counterrevolutionaries who have been divided into 100 small groups.

A high-ranking Nicaraguan Foreign Ministry source who asked not to be identified told ACAN-EFE today that the Nicaraguan troops are at the border but without crossing the borderline. The source added that the Sandinist soldiers "are hitting" the contras when they try to enter the national territory and that they are also fighting to drive back to Honduras the antigovernment forces that are still inside Nicaragua.

Nicaraguan Foreign Minister Miguel D'Escoto yesterday sent a letter to the eight foreign ministers of the Contadora and Support Groups asking for the creation and installation of a commission to supervise and oversee the border between the two countries. D'Escoto decided to request the creation of the supervision commission, similar to the one that is being created between Nicaraguan and Costa Rica, "in view of the grave situation of tension that is being sought on the border between Honduras and Nicaragua." Deputy Foreign Minister Jose Leon Talavera said that one of the functions of that commission would be, if the Tegucigalpa government would agree, to "confirm" that "at no time" have the Sandinist troops entered Honduran territory. "If Honduras wants peace, it will surely place no obstacles to the creation of the commission," Talavera said. The foreign ministers of the Contadora Group (Mexico, Panama, Colombia, and Venezuela) and the Support Group (Argentina, Peru, Brazil, and Uruguay) will meet with the Central American foreign ministers in Panama in early April to discuss the regional crisis.

As of noon, the Nicaraguan Foreign Ministry had not issued any comment on the reports from Tegucigalpa that the Honduran Army has deployed more troops to the border with Nicaragua.

ARDE LEADER ON SANDINIST INCURSION IN HONDURAS

PA262144 Panama City LA ESTRELLA DE PANAMA in Spanish 26 Mar 86 p D-12

[Article by Hermes Sucre Serrano]

[Text] The incursion of Sandinist troops into Honduras is an indication that the Nicaraguan totalitarian regime is confirming its aggressiveness and its expansionist intentions, Alvaro Altamirano, ARDE leader, said yesterday.

Altamirano said: "There will be no peace in Central America as long as the problem in Nicaragua is unresolved, and now with this new aggression, the Contadora Group has the opportunity to do something."

ARDE's representative said that Nicaragua's behavior on the Honduran border shows that the Sandinists have no intention of cooperating to resolve the crisis in the region.

With regard to Congress' refusal to approve the aid for $100 million for the counter-revolutionaries that was requested by Reagan, Altamirano said: "The congressmen have shown a total lack of knowledge of the problem in Central America and of the Marxist-Leninist expansionism in the region." He said that the results of the vote in Congress reveal an internal opposition to Reagan, not a rejection of an international policy.

Altamirano said that the Latin American presidents are not supporting President Reagan in his attempts to aid the contras. "This is a cowardly attitude, because we definitely cannot live on dollars and vote with rubles," he said.

With regard to the conflict that emerged in the Gulf of Sidra between the United States and Libya, Altamirano said that Mu'ammar Abu Minyar al-Qadhdhafi is provoking the United States in order to gain support from the Arab world. However, he added, "no one falls for the games of the top leader of terrorism."

COMMUNIQUE CONDEMNS U.S. MANEUVERS AGAINST LIBYA

PA270106 Managua Radio Sandino in Spanish 0032 GMT 27 Mar 86

[Official government communique issued in Managua on 26 March; read by Foreign Ministry Spokeswoman Angela Zaballos -- live]

[Text] The Nicaragua Government categorically condemns the military maneuvers that the U.S. Government ordered near the continental territory of Libya and the incursions by U.S. planes in the Gulf of Sidra. This represents an unjustifiable and irresponsible action of intimidation and provocation.

These maneuvers and other subversive actions are a clear demonstration of force, which is prohibited by the UN Charter. It is a provocation against Libya. This has produced military incidents including unjustified attacks on human beings in Libyan territory. This represents a threat to international peace and security. Nicaragua condemns the threat and the use of force against Libya and demands the cessation of military provocations and actions by the United States and recalls that all states have the obligation to resort to peaceful means to resolve controversies.

COMPARISON OF ORTEGA REACTION TO HOUSE DEFEAT OF AID

Managua International Service in Spanish at 0217 GMT on 23 March broadcasts a recording of Nicaraguan President Daniel Ortega's remarks following the vote in the U.S. House of Representatives defeating the requested $100 million for the anti-Sandinists. The Managua International version has been compared to the Managua Domestic Service 0300 GMT 21 March version published on page P 6 of the 21 March Latin America DAILY REPORT and found to provide the following variation:

Page P 7, paragraph one reads:

However, we are unquestionably waging the main battle here, in our country, by defeating the mercenary forces through the people's mobilization to defend the revolution militarily. This is the main battle.

We maintain our readiness to achieve peaceful solutions to the problems, resorting also to bilateral agreements like the ones we have been promoting [word indistinct] in Costa Rica. This effort by Nicaragua, this heroism which the Nicaraguan people have maintained all of these years that we have been subjected to the U.S. (?war-mongering) policy, has received international support from the peoples of the world and in particular from the Latin American people, from the Latin American governments, which have opposed the policy of terrorism of the U.S. Administration against Nicaragua, and from the U.S. people themselves.

In other words, there is a continental mobilization -- in Latin America, the Caribbean, the United States, and in Canada. Through this mobilization, the peoples are demanding respect for Nicaragua and an end to this aggressive policy, to this policy of terrorism.

[Reporter] Commander, how would you characterize the fact that several congressmen, even Republicans, voted no?

[Ortega] We do not want to issue an opinion on the hues in the discussions at the U.S. Congress, because this would be to begin to discuss and accept an illegal action. We reject the discussions themselves [words indistinct]. Therefore, we reject the policy of disrespect for the international legal system which is promoted when one nation that maintains relations with another nation -- in this case the United States -- which has relations with Nicaragua; and there is a Nicaraguan Embassy in Washington and a U.S. Embassy in Managua. [sentence as heard] The United States has signed the UN Charter and is therefore bound to respect the relations among states and to always seek a peaceful solution through dialogue to problems and conflicts.

This, then, is what we are referring to. Basically, it [not further identified] is violating those agreements which it has agreed to when the U.S. President pursues a terrorist policy against Nicaragua and discussions are held at the U.S. Congress about whether this terrorist policy is the most adequate -- the way President Reagan is implementing it -- or if some other type of policy has to be implemented. That is what is being discussed now: how to destroy the Nicaraguan revolution, how to better attack the Nicaraguan revolution. That is why we cannot accept this discussion and believe that we must demand respect for the international legal order, respect for the U.S. people, and respect for the Latin American peoples.

[Reporter] [Words indistinct] of the Sandinist people's revolution [words indistinct].

[Ortega] Well, we are threatened. Reagan has already talked about using troops. This is an open escalation [escalada]. This would be the beginning of the Vietamization of the conflict. We must remember that in Vietnam they began with (?a dozen) advisers and ended up with half a million soldiers on Vietnamese territory. Therefore, Reagan's proposal is the beginning of the Vietnamization of the conflict. That is, we are faced with a great danger, and we have been pointing it out all these years becaues I have said that Mr Reagan has looked for a way to make progress in order to end up by invading Nicaragua and, of course, provoking bloodshed of great magnitude. It is true that the blood that will be spilled will be that of the Nicaraguan people defending this revolution. However, the blood of those who invade this territory will also be spilled.

[Reporter] The day this action [word indistinct], what specific actions will the government adopt at the national and international level?

[Ortega] Well, we have been taking steps jointly to defend the country. To this end we have been forming the reserve brigades in the country's Pacific area, the 3d Region, the 4th Region, in various regions, [words indistinct], and in all of the country's regions. One has to be prepared. The people are prepared to face and defeat an eventual intervention by U.S. troops.

[Reporter] Is there any special [words indistinct]?

[Ortega] We must bear in mind, as I said, that this is only the first vote. According to their system, another vote must follow. In other words, the process has barely begun; the process has not ended. We think that Latin America will continue to defend a Latin Americanist position in favor of peace and against intervention. The Latin American people have been defending this position, and this has also been defended by many Latin American leaders. It is important to underscore that the aggression continues against our country and our people. This makes it necessary for us to not only pursue a greater mobilization in the military sector -- due to the military aggression -- but also a greater and more organized economic sector, because the aggression imposes more costs on us than the crisis. [words indistinct] with all the deployment of U.S. Army forces in Honduran territory.

Consequently, we are forced to [words indistinct], double productivity and increase discipline, to increase the people's awareness and strengthen the Nicaraguan people's spirit of sacrifice and patriotism. We must do this with specific actions in favor of the revolution's military defense and production. Thus, we must also (?increase) our production because our enemies think that we are tired and that their military actions will totally deteriorate the Nicaraguan economy. We must solve the economic crisis, because this is a national problem, everybody is involved. Therefore, everybody -- all the government officials and members of the FSLN, the working people, the patriotic forces of the country that are identified with various political parties but have sincere feelings for their homeland and the defense of our national unity -- must join and support the military defense of the revolution, and work with efficiency and discipline to increase our productivity.

[Reporter] Commander, I would like to know about the loss resulting from the [word indistinct] attack?

[Ortega] What they are doing [words indistinct].

[Reporter] Is there any report on the attack on that plant?

[Ortega] These attacks that the mercenary forces have been carrying out are directed at creating an impact on international public opinion to give the impression that they are a powerful force, that they are hurting the revolution, and in this way deny a fact: that they are forces that are being defeated. The fact that they are being defeated explains why the U.S. President is making a bigger commitment to back these forces. This explains why the U.S. President has decided to use military might. Later he will send more advisers. But even with these advisers, the mercenary forces will not be able to win. Then he is going to say: Well, we are going to have to resort to U.S. troops, to U.S. soldiers, to the Marines; thinking that with them he will be able to achieve victory. He does not realize that even if he uses U.S. troops, U.S. soldiers and Marines, he is going to be defeated again.

[Reporter] [Question indistinct]

[Ortega] So long as the U.S. President and those advising him maintain the line of a military resolution of the situation in Central America -- the case of Nicaragua and the case of El Salvador -- we will be facing the threat of an invasion by U.S. Forces in these countries.

[Reporter] Referring to the statements issued by certain bishops on the debate, does the government intend to continue carrying out some kind of dialogue with the church?

[Ortega] We have clearly stated our willingness to normalize relations with the church. In sum, we have reasserted and will continue to reassert that there is no persecution against the church in Nicaragua, and there never will be. In the political sector, yes. Whoever opposes the revolution in the political sector will receive a reply -- also political -- from the revolution. Of course, certain members of the church leadership have been supporting Reagan's plan and have lent themselves to Reagan's plan by going to the United States to slander the revolution. Well, they are losing all their moral and religious authority before the people, because they have not been -- in any way -- on the people's side. Likewise, they are not defending the Nicaraguan people's human rights in any way. Instead, they have chosen to side with those who violate the Nicaraguan people's human rights.

[Reporter] [Question indistinct]

[Ortega] These arbitrary, illegal, and antijuridic actions of the United States, of the U.S. Government, of the U.S. President, and of the U.S. Congress [words indistinct] and at the same time (?ignore) the process available at the International Court of Justice. We are awaiting the ruling of the court, which will probably be before the 30th [no month given]. We already know some of the dispositions of the court, and now we are waiting the final ruling on the [words indistinct] our country.

[Reporter] [Words indistinct] Would the Sandinist Government be prepared to negotiate again with Brooklyn Rivera if he were to request a renewal of the discussions?

[Ortega] All sorts of efforts are being made to slander and to wage campaigns against Nicaragua by those who want to justify their terrorist policy against Nicaragua. Today there is the case of the Miskitos. Tomorrow they will say we have committed crimes like those denounced by Bishop Vega in the United States, that three priests have been murdered here. He denied the charge here, but the truth is that the harm was already done.

There is also talk about human rights violations in our country. There is talk that we support subversion throughout Latin America. In his speech President Reagan mentioned a lot of countries that have rejected what he said, but his lie has stuck in the minds of the people of the United States.

We have faced many campaigns, and they persist in their warmongering campaign against our country. We maintain our policy in favor of a peaceful solution. There is an amnesty in effect. Everybody knows about it, and Nicaraguans have already done so. [Words indistinct] and hundreds of Nicaraguan have benefited from the amnesty.

The very leaders of some Miskito organizations who were involved in counterrevolutionary activities have taken the amnesty. The road to amnesty [words indistinct] which is being developed by our government in favor of autonomy, thus winning over [words indistinct]. [end recording] (providing additional passages)

BRIEFS

SHIP BUILT, DELIVERED -- The Gustavo Orozco, the first of three ships to be built at El Diamante Shipyard in Grenada, has been completed and was christened today. The Dutch ambassador officially delivered the ship to Transportation Minister William Ramirez. The Netherlands supplied the material and the technical advisers used to build the ship. The ship will cover the Granada-San Carlos-Granada route. It has room for 256 passengers and can carry from 20 to 25 tons of cargo. It will start servicing Granada and San Carlos residents in the next few days at a speed of 8 knots. Its goal is to cover the route in 14 hours. [Summary] [Managua Sistema Sandinista Television Network in Spanish 0200 GMT 19 Mar 86 PA]

PUBLIC HEALTH STATISTICS -- The counterrevolutionary mercenaries have inflicted serious damage on the country's health structure, which means the national economy has been affected. Over $122 million was lost in the 1981-85 period in damage to a hospital and to 58 health centers which were destroyed, the deputy health minister has resorted. The official added that through their criminal actions, the contras kidnapped 33 Health Ministry staff members; during the same period of time 41 were killed and 11 wounded. [Summary] [Managua Radio Sandino in Spanish 1200 GMT 12 Mar 86 PA]

HONDURAS SENDS TROOPS TO NICARAGUA BORDER

PA270244 Havana International Service in Spanish 0000 GMT 26 Mar 86

[Special report by Consuelo Sandoval for Radio Havana, from Managua]

[Text] Less than 24 hours after denying an alleged Sandinist incursion into their territory, the Honduran authorities today ordered troops to the border with Nicaragua. The alleged incursion of Nicaraguan troops into the neighbor country was originally reported by U.S. sources, a version that Lisandro Quezada, Honduran Presidential House spokesman, denied yesterday. Today the same spokesman reported that the Sandinist Peoples Army, EPS, had gone into an area of Olancho Department, located in the central eastern part of the country, next to the Nicaraguan border. When asked about the change, Quezada explained that the sector where the alleged incursion took place is very far and no official report had been received.

Meanwhile, the Nicaraguan Government has denied the alleged incursion into Honduran territory. The Nicaraguan Foreign Ministry issued an official communique in which it says that the presidents of Honduras and Nicaragua have held conversations during the past few days, which is proof that relations between the two countries are normal. The communique also says that the Nicaraguan Government denounces the U.S. Government campaign as a crude maneuver whose main objective is to obtain the approval of the $100 million for the counterrevolutionaries to continue murdering the Nicaraguan people and violating Honduran territory.

ETHIOPIAN POLITBURO MEMBER ARRIVES IN HAVANA

FL191138 Havana Radio Progreso Network in Spanish 1100 19 Mar 86

[Text] Hailu Yemanu, industry minister and member of the Workers' Party of Ethiopia Politburo, arrived in Havana a few hours ago on a official and friendly visit. Marcos Portales, basic industry minister [as heard], and Lester Rodriguez, vice president of the State Committee for Economic Cooperation, met the Ethiopian minister at the Jose Marti International Airport.

Meets Risquet

FL220108 Havana Television Service in Spanish 0000 GMT 22 Mar 86

[Text] Comrade Jorge Risquet Valdes, member of the Politburo and Secretariat of the party Central Committee, today has received Hailu Yemanu, member of the Politburo of the Workers' Party of Ethiopia and minister of industry of that brother country. The meeting took place in a cordial atmosphere, as corresponds to the relations between the two countries. Matters related to Central America were discussed, and Nicaragua's decision to defend its revolutionary process was stressed. The situation in southern Africa was also discussed, and Risquet reiterated Cuba's and Angola's willingness to withdraw Cuban internationalist troops when the Namibian people achieve true independence and apartheid ceases to exist.

OECS 1985 ECONOMIC REPORT PRESENTED

FL261500 Bridgetown CANA in English 2341 GMT 25 Mar 86

[Text] Basseterre, St Kitts, March 24, CANA -- The economies of the seven-nation Organisation of Eastern Caribbean States (OECS) had a mixed performance during the first nine months of last year, according to the Eastern Caribbean Central Bank (ECCB) based here.

In a comparative review of the nine-month period with 1984, the bank cited improvements in tourism and traditional exports counter-balanced by a worsening of the area's fiscal position and declining output by the manufacturing sector. The increased activity in the tourist sector which prevailed in the first half of 1985 continued into the third quarter so that over the nine-month period visitor arrivals to the area totalled 308,893, some 12.5 per cent more than in the comparable period of 1984, the report said.

The largest increases were recorded in Grenada (38 percent) and St Kitts and Nevis (14.5 percent), while Antigua & Barbuda, St Vincent and the Grenadines, and St Lucia all experienced significant increases. The ECCB serves Antigua-Barbuda, Grenada, St Kitts-Nevis, Montserrat, Dominica, St Lucia, and St Vincent and the Grenadines.

In general, the report said there had been a marked improvement in the performance of traditional export crops -- bananas, cocoa, and nutmegs -- with higher production levels and earnings. Sugar was the lone exception. Exports of bananas from the windward islands rose quite significantly by some 10.5 per cent to 119,720 tonnes. Much of this increase was however the result of the improved performance of St Lucian and Vincentian producers who registered increases of 16 per cent and 13 per cent respectively. The value of these exports rose even more significantly by some 25.9 per cent to 126 million dollars (one EC dollar= 37 cents U.S.), reflecting the more favourable unit prices which on average increased by 14 per cent compared with the corresponding period of 1984, the report added.

There were also significant improvements in relation to exports of cocoa and nutmegs from Grenada, which, in terms of volumes increased by 10.3 per cent and 27.7 per cent respectively. These crops also fetched higher prices in their respective markets and consequently their export values increased by 11.9 per cent and 28.7 per cent respectively relative to those of the comparable period of 1984.

With regard to manufacturing, the ECCB said export data pointed to an overall reduction in output levels, linked to the ongoing slowdown in Caribbean Community (Caricom) trade. St Vincent-made galvanized sheets and clothing made in Antigua, St Lucia, and St Kitts were particularly hard hit. There were, however, some positive signs in the export performance of soaps from Dominica and flour from St Vincent and the Grenadines, each of these commodities showing substantial increases when compared with their corresponding values in 1984, the report said.

The report went on: The review period witnessed a worsening of the areas fiscal position as reflected in an increased rate of overall public sector borrowing from the banking system. This deterioration in finances was even more evident when deposits of the public sector for the period netted against loans. On a territorial basis, however, some countries did show significant improvements, though these were not sufficient to reverse the overall declining trend.

DOMINICA

CIPS MEETING IN APRIL TO REVIEW CBI

FL260134 Bridgetown CANA in English 2203 GMT 25 Mar 86

[Text] Roseau, Dominica, March 25, CANA -- Dominica will next month host a meeting of the Caribbean Investment Promotion Service (CIPS), to follow up last week's St Vincent Conference, according to Dominica's Trade Minister, Charles Maynard.

Maynard, back home from Kingstown, says trade officials of Organisation of Eastern Caribbean States (OECs) and Belize will from April 11 continue looking at arrangements under which the United States gives assistance in the training of people involved in industry and promotion. He said the CIPS meetings will assist the region in taking greater advantage of the U.S.-supported Caribbean Basin Initiative (CBI) and attract investors by helping promoters to understand better the workings of the CBI.

GRENADA

BRIZAN REVIEWS PROGRESS OF FIRST YEAR

FL252108 Bridgetown CANA in English 2011 GMT 25 Mar 86

[By George Worme]

[Text] St Georges, Grenada, March 25, CANA -- The Grenada Government has reported progress in reducing what it calls a mountain of social and economic problems left by the island's near five-year flirtation with Marxism. But it has warned the 92,000 strong population against expecting all the troubles to be resolved in its five-year term that started December 1984.

The story of the government's success is told by Agriculture and Tourism Minister George Brizan in a booklet which described the first year in power as a testing time for all. While reporting improvements in areas such as agriculture, tourism, education, health, fisheries, electricity, housing and transport, the government admitted there is still a long way to go to achieve all social and economic targets. The expectations of people are undoubtedly high, Brizan commented. But the point must be made that resources are scarce and the mountain of problems that the new government has inherited cannot be levelled away into a plain of perfect order and full prosperity in one year. We Grenadians need to be more positive and less negative. We must emphasize our strengths and build upon them, rather than glorify our weaknesses and suffocate in them.

The New National Party (NNP) Government took office in Grenada's first elections since Maurice Bishop's leftist New Jewel Movement (NJM) staged a coup. Bishop was killed October 19, 1983 in palace coup, but the junta was quickly unseated in a U.S.-led invasion of the island.

The U.S. has pumped several million dollars in economic development aid into the island, where high unemployment and inadequate infrastructure are among the problems.

In the agricultural sector, the number one foreign exchange earner for Grenada, there have been major increases in prices paid to farmers for products such as cocoa and nutmegs following years of low productivity, the booklet noted.

The price of green nutmegs rose from 30 to 60 cents per pound (one EC dollar -- 37 cents U.S.), whole mace from 2 dollars to 2.53 dollars per pound, and dry cocoa from 1.20 to 1.40 dollars per pound. The government also built or repaired 33 miles of farm roads in many rural areas where these crops are grown mainly for export. It secured 1.8 million dollars in assistance to farmers under a European Development Fund (EDF) administered scheme that helps stabilize prices after losses due mainly to uncertainty on the world market.

The Washington-based World Bank also approved a U.S. 5 million dollar loan to help finance a major agricultural rehabilitation and diversification project, with assistance from an Israeli firm, Agridev, which has helped a number of east Caribbean islands. The wages of agricultural workers were also increased from 7.50 to 8.50 EC dollars per day for females, and from 8.50 to 10.50 dollars for males with promises of a further increase in the next year but tied to productivity.

On tourism, the booklet says that cruise ship business was on the upswing, stay-over visitor arrivals showing sizeable hikes, as well as hotels being constructed and renovated. There were 175 cruise ship calls in 1985, compared with 60 in the previous year. Work started on five hotel projects but approval had been given to several other schemes. Tourist sites have been upgraded with assistance from the organisation of American States (OAS), and the United States Agency for International Development (USAID). Brizan also reported that the International Finance Corporation (IFC) of the World Bank approved a U.S. 6 million dollar loan to Trinidad and Tobago businessman Issa Nicholas to help rebuild the Ramada Renaissance Hotel. The hotel was used as the headquarters of American troops during the invasion of the island.

The government also noted improvement in educational opportunities, with the launching of a Continuing Education Programme (CEP), as well as expansion of the list of subjects taught at secondary schools. The NNP government's first year also saw start of the rebuilding of the mental hospital bombed by the Americans during the invasion leaving 19 inmates dead. It also saw the renovation and refurbishing of three district clinics. Test specimens which were previously sent to neighbouring Trinidad and Tobago and Barbados to be analysed are now being handled in Grenada at the St Georges General Hospital, and laboratory facilities have been upgraded to provide training for cytologists from both Grenada and nearby islands like St Lucia and St Vincent and the Grenadines. The government also says that its eye clinic is now fully staffed and equipped to enable operations previously done abroad to take place in the country, and that a drug formulary has been prepared with the aim to prevent duplication in the purchase of imported drugs.

Under a national house repair programme in estimated 700 persons have been provided with building materials. The government also completed 153.3 miles of roads islandwide, installed a new engine at the run-down Grenada Electricity Company (Grenlec) to boost its capacity, upgraded telephone communication between Grenada and Carriacou, as well as purchased spare parts to bring back on the road 18 public transport buses.

ST LUCIA

COMPTON SAYS NO TO INCOME TAX ABOLITION

FL261758 Bridgetown CANA in English 1601 GMT 26 Mar 86

[By Ernie Seon]

[Text] Castries, St Lucia, March 26, CANA -- Prime Minister John Compton told St Lucians last night that the government could not afford to abolish income tax at this time.

However, in unveiling his 232.6 million dollar(one EC dlr; 37 U.S. cents) budget, Compton said the time was ripe to give some relief to taxpayers.

In a two hour presentation, the Finance Minister said government had decided against removing income tax altogether as 27 million dollars would have to be found from other sources to maintain essential services. However, relief will be granted by simplifying the income tax system, increasing the present basic tax allowance from 2,000 to 3,000 dollars, raising the threshold at which tax payments begin, and lowering the rates at the upper end of the scale to permit hard working St Lucians to retain more of their income, Compton said.

With these adjustments it will mean that a man with a wife and two children whose earnings is less than 6,000 dollars per annum will pay no taxes at all, and the measures proposed will remove 3,000 persons from the tax net.

Compton said that to compensate for the revenue lost by these measures, the administration proposed to adjust the consumption taxes on certain goods in the luxury category without touching essential goods.

He added these measures are merely provisional and at present the income tax laws are now the subject of a comprehensive revision. As it has been agreed that the income tax laws through the OECS states should be harmonised, the Legal Affairs Department of the OECS is at present assisting in the exercise.

Compton said the withholding tax introduced in 1980 is to be abolished as it relates to taxes on dividends and profits on which income taxes have already been paid, but will be retained with respect to management fees, an area often used to avoid tax.

Government also proposed to revise a number of stamp duties on inland revenue transactions,and adjust the tax payable by insurance companies.

Compton said that 6.6 million dollars was owed in income tax and the government planned to follow the example of St Vincent by waiving payment of interest on all arrears if settlement was made by June 30.

The Prime Minister described the budget as one for job creation but a give away.

In all taxes are expected to contribute 164.5 million dollars, while 44.1 million dollars will be received by way of grants from foreign governments and international institutions.

Some 28.7 million dollars will be borrowed from the Caribbean Development Bank (CDB), of which 14.6 million will go towards capital development programmes, and 11.5 million for external funding. The recurrent expenditure is estimated at 145 million dollars and capital at 87.5 million. Last year's budget totalled 215.2 million dollars.

Compton told parliament that although the economy improved during the 1985-86 period and the revised figure for revenues is expected to exceed estimates by 3 million dollars, expenditure grew faster than estimated. By the end of this financial year there will be a further deficit of 2.5 million which when added to deficits of previous years will result in short term debts of 17.5 million dollars, he said.